Foreign
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1941 - 1991

Daily Report

East Asia

FBIS-EAS-91-186
Wednesday
25 September 1991

Daily Report
East Asia

FBIS-EAS-91-186 CONTENTS *25 September 1991*

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

NORTHEAST ASIA

Japan

- Nakayama Stresses 'Central Role' in Peace to UN *[KYODO]* 1
  - Coordinates on USSR Aid *[KYODO]* 1
  - Meets UN Secretary General *[Tokyo TV]* 2
  - Meets Southeast Asian Leaders *[KYODO]* 2
- Regional Understanding on PKO Bill Sought *[KYODO]* 2
  - Bill To Benefit Asia *[KYODO]* 3
- Kaifu Reminds Asian Media of Territorial Dispute *[KYODO]* 3
- Iraq Position on Nuclear Inspections 'Regrettable' *[KYODO]* 4
- Delegation To China To Discuss Economic Ties *[KYODO]* 4
- Okinawan Assembly Protests U.S. C-141 Transfers *[RYUKYU SHIMPO 24 Sep]* 4
- Naha Mayor To Visit U.S., Seek Port's Return *[RYUKYU SHIMPO 25 Sep]* 4
- Steps To Solve Auto Dispute With U.S. Planned *[KYODO]* 5
- Joint-U.S. Agreement on Ducted Rocket Engines *[KYODO]* 5
- Joint Videotape Venture in Luxembourg Started *[KYODO]* 5
- Bank of Japan Chief Calls Rate Drop 'Natural' *[KYODO]* 6
  - Says Economy Remains Strong *[KYODO]* 6
- Concern Voiced Over Consumer Price Increases *[KYODO]* 6
- Corporate Confidence in Economy Declining *[KYODO]* 7
- 'Big Four' Defy Ministry, Continue Kickbacks *[KYODO]* 7
  - Excluded From Local Underwriting *[KYODO]* 8
  - Securities Law Revision Stressed *[KYODO]* 8
  - Law Expected To Pass Diet *[KYODO]* 9
- Sanctions Imposed on 'Scandal-Ridden' Banks *[KYODO]* 9
- Aug Crude Oil Imports Up 4.5 Percent on Year *[KYODO]* 9
- Business Lobby Urges Flexible Employment System *[KYODO]* 10
- Court Confirms Yasukuni Visits 'Unconstitutional' *[KYODO]* 10
- Nuclear-Powered Mutsu Completes Third Sea Trial *[KYODO]* 11

North Korea

- Claim of New Missile Development Denounced *[KCNA]* 11
- Foreign Delegations Arrive for Visits 11
  - PRC, Japanese Groups *[KCNA]* 11
  - Australian, Japanese, Swiss Groups *[KCNA]* 12
- South's Efforts To 'Repress' Violence Condemned *[KCNA]* 12
- Student Working-Level Contacts Held at Panmunjom *[KCNA]* 12
- Workers Denounce 'Murder' of South Student *[KCNA]* 13
- 'Vigilance Against Antisocialist Campaign' Urged *[KCNA]* 14
- Daily Views Loyalty of Youth to Kim Il-song *[KCNA]* 14
- 'Advantages of Socialist Economic System' Praised *[KCNA]* 15
- Party's Guidance Over Socialism Reaffirmed *[Pyongyang Radio]* 16
- KCNA Reviews 25 Sep Pyongyang Press 18

South Korea

- North Leader Said To Admit Nuclear Arms Program *[CHUNGANG ILBO 25 Sep]* 19
- No Tae-u Speech at UN General Assembly *[Seoul TV]* 20
- Envoy Denies U.S. Having Contacts With North *[YONHAP]* 24

Vice Premier Urges N-S Nonaggression Pact *[YONHAP]* 24
Government Wary of Japanese Role in UN Forces *[THE KOREA TIMES 25 Sep]* 24
Soviet Union Welcomes Korea's UN Membership *[YONHAP]* 25
PRC Applies for Landing Rights at Seoul *[YONHAP]* 25
Tariffs Blamed for Trade Deficit With PRC *[YONHAP]* 25
Negotiations Held on Yongsan Embassy Housing *[THE KOREA ECONOMIC WEEKLY 23 Sep]* 25
Clergyman Arrives in Pyongyang on Sanctioned Visit *[THE KOREA HERALD 25 Sep]* 26
Article Views Joint Venture Investments in North *[THE KOREA ECONOMIC WEEKLY 23 Sep]* 26
Conditions Cited for Students To Visit North *[YONHAP]* 28
Ministry's Plan To Downsize Military Lauded *[THE KOREA HERALD 25 Sep]* 28
Statistics on Student, Worker Demonstrations *[YONHAP]* 28

SOUTHEAST ASIA

Burma

Editorial Denounces 'Brutal Act' by Terrorists *[Rangoon Radio]* 30

Singapore

UK Minister Reaffirms Commitment to Region *[Singapore Radio]* 30

Cambodia

'Groundless' Report on Demobilizations Rejected *[Phnom Penh Radio]* 30
Heng Samrin Greetings on New Academic Year *[Phnom Penh Radio]* 30
Chea Sim Receives Mother Teresa of India *[SPK]* 31
Government, Resistance Clashes Halt Aid Shipments *[Radio VOK]* 32
Radio Urges Unity Around Sihanouk-Led SNC *[Radio VONADK]* 32

Indonesia

Suharto Addresses Asia-Pacific Regional Meeting *[ANTARA]* 33
Trade Minister Reports Results of PRC Visit *[ANTARA]* 34
Minister Expects Oil Price Decrease in 1992 *[ANTARA]* 34

Laos

SPA Statement on Implementation of Constitution *[Vientiane Radio]* 35
New District Established in Khammouane Province *[Vientiane Radio]* 35

Philippines

Timing, Results of U.S. Withdrawal Discussed *[THE CHRONICLE 24 Sep]* 36
    Saguisag on Seven-Year Withdrawal *[MALAYA 24 Sep]* 37
    U.S. Asked for 'True Stand' *[Manila Radio]* 38
    Leftists Support Antibases Parties *[MALAYA 25 Sep]* 39
    Stock Prices Up Despite Rejection *[MALAYA 25 Sep]* 39
    Senate Favors Two-Year Withdrawal *[PHILIPPINES NEWSDAY 25 Sep]* 40
    Senators Reject 4-Year Withdrawal *[Quezon City Radio]* 41
    Bases Management Transfer Urged *[Quezon City Radio]* 41
    Senate Recognizes Ramos-Rusk Pact *[Quezon City Radio]* 41
    Workers' Groups Oppose Moratorium *[Manila Radio]* 42
    Clark Base Turnover Date Viewed *[BUSINESS WORLD 25 Sep]* 42
    Cabinet Members' Division Viewed *[MALAYA 24 Sep]* 43
    Editorial Views Economic Options *[THE CHRONICLE 25 Sep]* 43
Aquino Refuses To Suspend Westinghouse Payments *[Manila Radio]* 44
Bataan Nuclear Plant Called 'White Elephant' *[PHILIPPINES NEWSDAY 25 Sep]* 44
Editorial Views Local Government Autonomy Code *[MANILA BULLETIN 25 Sep]* 45

Mitra Said Hopeful of Honasan's Surrender *[Manila Radio]* 45
Aquino Denies Giving Amnesty to Rebel Soldiers *[Manila Radio]* 46
Leyte Police To Assume Anti-Insurgency Drive *[THE CHRONICLE 24 Sep]* 46
Communist Rebels Move Drug Operations to Negros *[MANILA BULLETIN 25 Sep]* 46
10-Day Cease-Fire Declared in Negros Province *[Quezon City Radio]* 47
Military To Focus Attention on External Defense *[THE CHRONICLE 25 Sep]* 47
  Seeks 10 Billion-Peso Funding *[BUSINESS WORLD 25 Sep]* 48
CB Chief Predicts Less Than 1 Percent Growth *[MALAYA 23 Sep]* 48
Manila Considers $300 Million World Bank Loan *[MANILA BULLETIN 24 Sep]* 49
Agriculture Department Reports Mudflow Damages *[MANILA BULLETIN 25 Sep]* 49

Thailand

Minister on Ties With ASEAN *[THE NATION 22 Sep]* 50
Government Approves Setting Up VNA Bureau *[THE NATION 25 Sep]* 51
Holding Center for Burmese Dissidents Approved *[THE NATION 25 Sep]* 52
Columnist on Chinese Foreign Policy, Anan Visit *[THE NATION 25 Sep]* 53

Vietnam

Radio Gives Insight Into Relations With PRC *[Hanoi International]* 54
Sihanouk View on Cambodia Peace Agreement Noted *[VNA]* 54
Lao Front Delegation's 17-24 Sep Visit Reported *[VNA]* 54
Spokesman Supports Afghan 'Self-Determination' *[VNA]* 55
Polish Ambassador on 'Continued Cooperation' *[VNA]* 55
Saigon Shipping Enters Venture With France *[Hanoi International]* 55
Japanese Firms Launch Wood Processing Venture *[AFP]* 55
Council of State Issues Order on Labor Safety *[Hanoi TV]* 55
1,000 Households Said Sent to New Economic Zones *[Hanoi Radio]* 56
Provinces Hold Second-Round Party Congresses *[Hanoi Radio]* 56
Phan Van Khai Attends Groundbreaking Ceremony *[Hanoi TV]* 56
Nguyen Khanh Attends Full Moon Festival 21 Sep *[Hanoi Radio]* 57
Nguyen Van Linh Attends Resistance Day Meeting *[Hanoi Radio]* 57
Nguyen Thoi Bung Inspects 86th Chemical Group *[Hanoi Radio]* 57
Flood Situation in Various Regions Reported 58
  Long An Province *[Hanoi Radio]* 58
  An Giang Province *[Hanoi Radio]* 58
  Mekong River Delta Area *[VNA]* 58
Company Said Preparing To Produce Natural Gas *[VNA]* 59

AUSTRALASIA

Australia

Hawke, Blewett Cited on Situation in PNG *[Melbourne International]* 60

Vanuatu

Kalpokas Appoints Abbil Deputy Prime Minister *[AFP]* 60

Japan

Nakayama Stresses 'Central Role' in Peace to UN

OW2409233191 Tokyo KYODO in English 2311 GMT 24 Sep 91

[Text] New York, Sept. 24 KYODO—Japan told the United Nations on Tuesday it wants the world body to play a central role in guaranteeing world peace.

In a 40-minute speech at the United Nations General Assembly, Foreign Minister Taro Nakayama also outlined a new world order where peace and security is coupled with freedom and democracy driven by market economy.

Nakayama further signaled that Japan will flex its economic muscle and link its foreign aid program, the largest in the world, to the attainment of such policy goals.

As part of Japan's new activist foreign policy, Nakayama also proclaimed a new Japanese policy on the Soviet Union which combines pledges of economic aid with a renewed call for the settlement of the long-standing territorial dispute between the countries.

Nakayama paid tribute to the U.N. for the role it played during the Persian Gulf crisis, saying that the Japanese have developed a "heightened awareness" to contribute actively to U.N.-led efforts in the maintenance of world peace.

"In this new era of collaboration and cooperation the United Nations will be expected to play a central role in surmounting the many challenges facing the international community," Nakayama said in the speech.

To put more teeth in U.N. peacekeeping efforts, Nakayama proposed the establishment of a conflict-prevention system under which the Secretariat would monitor trouble spots in the world and issue "early warnings" on potential conflicts.

Nakayama also said that Japan plans to submit a resolution calling for the establishing of a reporting system within United Nations to monitor international transfers of conventional weapons.

Japan, which first advocated the establishment of such a system in March, is currently working with European and other countries to draft a resolution, Nakayama said.

The Japanese Government plans to host a meeting in Japan next week to elaborate on the technical issues involved in such a system, he said.

Turning to Japan's ties with the Soviet Union, Nakayama outlined a five-point principle designed to set up the framework of a "new relationship" to cope with the turbulent changes in the aftermath of the abortive coup by communist hard-liners last month.

These principles call for:

—Japan's solidarity with the reforms in Soviet domestic and foreign policy, along with a pledge to provide "appropriate and effective assistance" to the Soviet Union.

—Turning the Soviet Union into a "constructive partner" in the Asia-Pacific region through expanded bilateral cooperation.

—Supporting Soviet participation in international economic organizations and integrating the Soviet Union into the world economy.

—Concluding a peace treaty through resolving the territorial dispute.

Nakayama made it clear that resolving the territorial dispute—Japan's claim to four islands off northeastern Hokkaido the Soviets occupied at the end of World War II—remains the key to improving Tokyo's relationship with Moscow.

The conclusion of the peace treaty is the "most important" of the five aspects of Japan's Soviet policy, Nakayama said in his speech.

Also signaling Japan's recognition of the enhanced political power of the Soviet republics, Nakayama said Japan plans to step up "multifaceted cooperation with the republics, especially our neighbor—the Russian Republic."

Underlining Japan's new policy of using foreign aid as a policy tool, Nakayama said Japan will monitor the military spending of recipient countries, their level of democracy and market economy, and human rights performance, and use them as yardsticks for aid.

"Japan intends through its aid to support and contribute to efforts for democratization and economic reforms worldwide," he said.

Focusing on events closer to home, Nakayama hailed the simultaneous admission of North and South Korea to U.N. membership as a historical event heralding peace and relaxation of tensions in the Korean peninsula.

Nakayama made a thinly veiled attack on North Korea for refusing to place its nuclear program under international inspection. "There is still a country that is a party to the Nuclear Nonproliferation Treaty and has yet to conclude a safeguards agreement as called for in the treaty," he said.

Coordinates on USSR Aid

OW2509011591 Tokyo KYODO in English 0058 GMT 25 Sep 91

[Text] New York, Sept. 24 KYODO—Japan and the European Community (EC) agreed on Tuesday to step up political cooperation and coordinate policy on aid to the Soviet Union, Japanese officials said.

Japan's Foreign Minister Taro Nakayama worked out the agreements in a meeting with a group of senior EC officials, they said.

The two sides agreed to exchange information related to the Soviet economy for use as data in formulating their aid policy toward Moscow, the officials said.

Nakayama told the EC officials that the Soviet Union should unveil its foreign exchange holdings so the West can determine the scale of financial aid needed, Japanese officials said.

"We must find out the reality of the Soviet economy," a Japanese official said.

Nakayama also told the EC officials—Dutch Foreign Minister Hans van Den Broek, Portuguese Foreign Minister Joao de Deus Pinheiro, Luxembourg Foreign Minister Jacques Poos, and EC Commission Vice President Frans Andriessen—that Japan is limiting its assistance to the Soviet Union to humanitarian and technical areas.

The Soviet Union must promote democratization at home and "apply its 'new thinking' diplomacy throughout the world as well as liquidate the "legacy of (Soviet ruler Joseph) Stalin's expansionism," Nakayama was quoted as telling the EC officials.

Apart from Soviet aid, Nakayama and the EC officials agreed to strengthen political cooperation between Japan and the EC, including more frequent contacts between Japanese and EC diplomats in international organizations, Japanese officials said.

The Netherlands currently holds the EC council presidency, after taking on the role from Luxembourg, while Portugal is scheduled to hold it next.

Meets UN Secretary General

OW2509025291 Tokyo NHK General Television Network in Japanese 0300 GMT 24 Sep 91

[Text] In a meeting with UN Secretary General Javier Perez de Cuellar, Foreign Minister Taro Nakayama praised Mr. Perez de Cuellar, who is going to resign from his post as secretary general this December, for his 10-year service at the United Nations. He also briefed the secretary general on a bill providing cooperation with the UN Peacekeeping Operations [PKO]. The bill will be discussed starting today at the Diet sessions. Thus, he indicated Japan's intention to extend its corresponding cooperation in settling the Cambodian issue.

In response, Secretary General Perez de Cuellar said that with the world situation changing drastically, the UN PKO activities have recently become more significant, and that the scope of activities has been expanded all over the world. He added that in Asia, the United Nations plans to start large-scale PKO activities in Cambodia in the near future and stated his expectations that Japan would cooperate. In this way he requested cooperation from Japan in the PKO.

Meets Southeast Asian Leaders

OW2509062591 Tokyo KYODO in English 0549 GMT 25 Sep 91

[Text] New York, Sept. 24 KYODO—Japanese Foreign Minister Taro Nakayama met with the Cambodian prime minister and the foreign ministers of Indonesia and Malaysia here Tuesday and was asked to provide financial assistance to the U.N. Transitional Authorities in Cambodia (UNTAC), Japanese officials said.

Cambodian Prime Minister Hun Sen of the Heng Samrin government, in a meeting at the U.N. Headquaters, told Nakayama he would welcomed Japan's contribution to the UNTAC of personnel help and goods.

Nakayama told Hun Sen that Japan will host a meeting in Tokyo for the reconstruction of Cambodia and send a government research team to Cambodia beforehand.

The Japanese foreign minister held a luncheon meeting with Foreign Ministers Ali Alatas of Indonesia and Datuk Abdullah Badawi of Malaysia at a New York hotel.

Alatas expressed his hope that Japan would offer financial assistance to UNTAC, saying that the U.N. appears in trouble because UNTAC is costing it 500 million dollars to 1.5 billion dollars.

Regional Understanding on PKO Bill Sought

OW2409114791 Tokyo KYODO in English 1123 GMT 24 Sep 91

[Text] Tokyo, Sept. 24 KYODO—Prime Minister Toshiki Kaifu told the Diet on Tuesday the government will try to dispel anxieties among Japan's neighbors about a bill aimed at allowing Japanese military personnel to participate in U.N. peacekeeping operations.

"(Participation in U.N. peacekeeping operations by the Self- Defense Forces) should be done after getting consent from all neighboring countries. (The government) will explain sufficiently the content and purpose of the bill in the future," Kaifu said at a plenary session of the House of Representatives.

Kaifu and Chief Cabinet Secretary Misoji Sakamoto explained the bill and another one that would revise the International Emergency Relief Law to allow the SDF to go abroad for disaster relief operations,

"(Japan's) participation in U.N. peacekeeping operations is consistent with the philosophy of the constitution which aspires to permanent peace under international cooperation," the prime minister said.

Shigeru Ito, a member of the top opposition Social Democratic Party, questioned Kaifu as to whether there is a serious danger in the bill concerning use of weapons.

Kaifu said if Japanese participants in U.N. peacekeeping operations use weapons to protect their life, it would not amount to use of weapons prohibited by Article 9 of the Constitution.

The Constitution bans use of use of force to settle international disputes.

Kaifu did not rule out use of weapons by SDF personnel to protect their compatriots and foreign members of U.N. peacekeeping forces.

Under the proposed legislation, SDF personnel would carry guns, rifles, machine guns, and use armored vehicles for U.N. peacekeeping operations, Kaifu said.

The government does not assume in the bill Japan would send sdf personnel to cases such as in the Congo in the early 1960s, where U.N. peacekeeping troops were authorized to use military force to quell hostilities.

The bill on peacekeeping operations submitted to the Diet last Thursday sets the maximum number of military personnel that can be sent overseas at 2,000.

China and South Korea have expressed concern over the Japanese plan.

If it becomes law, Japan would be allowed to deploy troops overseas for the first time since World War II.

Legislation that would have allowed the SDF to join the multinational forces in the Persian Gulf War was aborted last fall after stiff resistance from opposition parties.

The bills will be discussed at a special committee of the lower house from Wednesday.

Bill To Benefit Asia

OW2509060791 Tokyo KYODO in English 0552 GMT 25 Sep 91

[Text] Tokyo, Sept. 25 KYODO—Prime Minister Toshiki Kaifu said Wednesday he is convinced his plan to dispatch military personnel to join United Nations peacekeeping forces will benefit Japan's neighbors.

"Japan's plan is aimed at maintaining peace in Asia in the future... I believe that this is in the interest of Asia, and I plan to explain this and obtain understanding," Kaifu said.

"I believe the day will come when Asian countries will be able to discuss how to join together to participate in peacekeeping forces, and how to divide up the roles," Kaifu told a House of Representatives special committee debating a U.N. peacekeeping bill, submitted to the Diet last week.

He was responding to questions on how Japan plans to respond to concerns expressed by China and South Korea on the U.N. peacekeeping bill, which would allow deployment overseas of armed military forces for the first time since World War II.

China's Foreign Minister Qian Qichen and South Korean Foreign Minister Yi Sang-ok both cited concerns about Japan's past aggression in their countries when commenting on the bill in separate meetings with Japanese Foreign Minister Taro Nakayama in New York earlier this week.

The three were attending the opening of the United Nations General Assembly session.

A senior government source told reporters the reactions from China and South Korea were "calmer" than he had anticipated.

He suggested that Beijing's subdued response may be due to Japan's economic assistance to China.

Tokyo is China's largest aid donor. China has also expressed appreciation to Japan for leading the restoration of economic assistance last November following a freeze imposed by major aid donors following the June 1989 crackdown on pro-democracy demonstrators in Tiananmen Square.

In August, Kaifu became the first leader from a Group of Seven (G-7) industrialized nation to visit Beijing since the crackdown.

Kaifu Reminds Asian Media of Territorial Dispute

OW2409123691 Tokyo KYODO in English 1221 GMT 24 Sep 91

[Text] Tokyo, Sept. 24 KYODO—Prime Minister Toshiki Kaifu urged Asian news agency executives Tuesday not to forget Japan's territorial dispute with the Soviet Union as the cold war recedes in this region.

Asia has recently been showered with "happy news," notably the joint admission of North and South Korea to the United Nations, and a breakthrough in the long-sought Cambodian peace accord, Kaifu told participants attending the opening of the organization of Asia- Pacific News Agencies (OANA) general assembly.

"Please do not forget the territorial issue is still pending between Japan and the Soviet Union," he said, paying tribute to the influence exercised by the mass media.

Attending the 16-nation meeting of news agency managers and executives are representatives from TASS, the Soviet news agency, as well as news agencies from China, North and South Korea, and from southeast and southwest Asia.

Kaifu also anticipated the Asia-Pacific region will play an increasingly important role in world politics, in addition to its growing economic presence.

The triennial general assembly, which opened here Tuesday, moves to Oyama, Shizuoka Prefecture, west of

Tokyo, on Wednesday for three days of discussions on promoting regional exchanges of information.

OANA was established in 1961 under the initiative of the U.N. Educational, Scientific, and Cultural Organization (UNESCO) to promote exchange among regional news agencies.

KYODO news service is to assume the presidency for the next three-year term, ending in 1994.

Iraq Position on Nuclear Inspections 'Regrettable'

OW2509093991 Tokyo KYODO in English 0924 GMT 25 Sep 91

[Text] Tokyo, Sept. 25 KYODO—Japan said on Wednesday Iraq's refusal to allow a United Nations team to inspect its nuclear facilities was "extremely regrettable."

Chief Cabinet Secretary Misoji Sakamoto said that Japan hopes Iraq will abolish nuclear and chemical weapons in line with U.N. resolutions.

One of the U.N. resolutions permits the allied forces to destroy the nuclear and chemical arsenals if the Iraqi Government fails to do so.

"We have relayed the government's views to Iraqi authorities via diplomatic channels," he said.

In an apparent contradiction, a Foreign Ministry official in charge of Iraqi affairs said Japan had not yet decided whether to officially inform Iraq of its views.

Asked whether Japan would support military action should the United States seek to force Iraq to abide by U.N. ceasefire terms, Sakamoto said that he believes force will be unnecessary because he expects Iraq to yield to international pressure.

The U.S. has reportedly dispatched two Patriot missile battalions to Saudi Arabia. The Patriots were used during the Gulf war earlier this year to intercept Iraqi Scud missiles.

Delegation To China To Discuss Economic Ties

OW2409051591 Tokyo KYODO in English 0336 GMT 24 Sep 91

[Text] Tokyo, Sept. 24 KYODO—A delegation of Japanese business leaders from the Japan-China Association of Economy and Trade left for Beijing Tuesday morning to talk with Chinese leaders about future bilateral economic relations. The mission is headed by Ryoichi Kawai, chairman of Komatsu Ltd., and includes Gaishi Hiraiwa, chairman of the Federation of Economic Organizations (Keidanren) and Kazuo Haruna, chairman of Marubeni Corp. The business leaders will meet Jiang Zemin, Chinese Communist Party General Secretary, President Yang Shangkun, and Prime Minister Li Peng. The delegation will stop at China's port city of Dalian before returning home on Sunday.

Okinawan Assembly Protests U.S. C-141 Transfers

OW2509043691 Naha RYUKYU SHIMPO in Japanese 24 Sep 91 Evening Edition p 10

["Text" of the statement of opinion adopted by the Okinawa Prefectural Assembly at its 24 September session to oppose the transfer of U.S. military aircraft from Clark Air Base to Kadena Air Base]

[Text] It has recently been disclosed that C-141 U.S. transport aircraft and personnel have been transferred to Kadena Air Base [KAB] from Clark Air Base [CAB] following the CAB closure due to the eruption of Mount Pinatubo. This has aroused apprehensions among Okinawan residents, who feel great uneasiness about this fact. Our people are victims of various damages caused by military bases, including noise pollution resulting from the adjustments of engines on KC-135 air tankers and also by take-off and landings of other aircraft. The transfer of the C-141 transport aircraft will not only bring about new damages but also lead to strengthening the base functions. We certainly cannot tolerate this transfer. Therefore, from the standpoints of safeguarding the lives and property of local residents and of protecting our living environment, the Prefectural Assembly hereby lodges a strong protest against the transfer of C-141 transport aircraft and personnel to KAB, and at the same time, we demand strongly that the transfer be suspended immediately.

[signed] Okinawa Prefectural Assembly

[dated] 24 September 1991

The above statement will be submitted to: the prime minister; the foreign minister; the director-general of the Defense Agency; the director general of the Okinawa Development Agency; and the director general of the Defense Facilities Administration Agency.

A resolution with the same contents as noted in the above statement will be submitted to the U.S. Embassy in Japan, the USFJ [United States Forces Japan] commander and the Okinawa area coordinator of the USFJ.

Naha Mayor To Visit U.S., Seek Port's Return

OW2509103291 Naha RYUKYU SHIMPO in Japanese 25 Sep 91 Morning Edition p 2

[Text] Naha Mayor Kosei Oyadomari will visit the United States from 26 September to 6 October to call for an early return of the Naha naval port. During the stay in the United States, he will meet the State Department's acting Assistant Secretary Anderson and the Defense Department's Deputy Assistant Secretary of East Asian and Pacific Affairs McDevitt. In addition, the mayor is scheduled to call on several members of the Senate and House of Representatives who have influential power on military issues, as well as members of the American mass media, to explain that the Naha naval port is obstructing urban development plans. This was disclosed by the mayor at a press conference held on 24 September.

In addition to Mayor Oyadomari, the delegation to the United States will consist of 10 people, including City Assembly Speaker Hiroyasu Toma, City Assembly members Tokuyoshi Nakajima and Shinjiro Arasaki, and Urban Planning Department chief Hideo Toma.

The delegation will leave Naha on 26 September. After arriving in New York on 27 September (New York time), the delegation will make inspection tours of places such as a waterfront development district, which can be used as a plan for the utilization of the Naha naval port after its return. The delegation will arrive in Washington on 30 September and will begin activities for making the appeal to officials of the U.S. Government, the assembly, and mass media 1-4 October.

In Washington, they are scheduled to hold meetings with Acting Assistant Secretary Anderson at 1530 on 2 October and East Asian and Pacific Affairs Deputy Assistant Secretary McDevitt at 1030 on 3 October for 15-20 minutes each. Messrs Anderson and McDevitt are high officials who met with Governor Ota when he visited the United States in July.

Regarding the request for the return of the port, Naha has prepared 1,000 copies of Japanese and English brochures. By distributing the brochures among concerned organizations and mass media of the United States, the delegation will explain the current situation in Naha, which is a small place, and the fact that the naval port is obstructing development within the city.

Mayor Oyadomari said: "The demand will focuse only on the return of Naha naval port during the upcoming trip to the United States. By personally making the visit with the municipality chiefs and representatives of the city assembly, I would like to make an appeal that an early return of the port is a hope of all citizens."

Naha naval port covers 57.5 hectares. Although its return was agreed upon at the Japan-U.S. Security Council meeting in 1974, the port still has not been returned.

Steps To Solve Auto Dispute With U.S. Planned

OW2509000891 Tokyo KYODO in English 2351 GMT 24 Sep 91

[Text] Washington, Sept. 24 KYODO—Japanese and U.S. Trade negotiators ended routine talks Tuesday by agreeing to a joint survey of finished autos in a bid to look into obstacles to U.S. car exports to Japan, Japanese officials said.

The officials said both sides agreed to survey regulations on car certificates, relationships between automakers and dealers and efforts by U.S. automakers to penetrate the Japanese market.

Research agencies chosen next month by Japan and the United States will make the survey with their results available by next January, they said.

The agreement emerged after the latest round of four year bilateral negotiations known as market-oriented sector-selective (MOSS) talks which began earlier this month.

During the talks, both sides also agreed to increase efforts to boost U.S. auto parts exports to Japan under an action program aimed at resolving a dispute over the growing U.S. trade deficit in such products, the officials said.

The program calls for involving Japanese automakers as well as auto parts suppliers in cooperation with U.S. parts makers to develop and design parts used in Japanese-brand autos.

Under the one-and-a-half-year program, Japanese auto manufacturers are also required to enhance their research and development facilities in the United States, the officials added.

Joint-U.S. Agreement on Ducted Rocket Engines

OW2509110491 Tokyo KYODO in English 1047 GMT 25 Sep 91

[Text] Tokyo, Sept. 25 KYODO—Japan and the United States ended a two-day military technology forum on Wednesday with an agreement to conduct a feasibility study on the joint development of ducted rocket engines designed to save oxygen thrusting rockets.

A senior Japanese Defense Agency official said both countries will make a framework to study the development of the ducted rocket engines in the future.

Defense Agency equipment bureau chief Osamu Seki said the study is one of five joint military technology programs which have been discussed by a joint working group set up by the forum.

Japanese and U.S. military engineers are planning to design ducted rocket engines by opening ducts and introducing oxygen from the atmosphere while using oxygen in rockets in the stratosphere.

The current rockets thrust both in the atmosphere and the stratosphere by using oxygen contained in the rockets.

Twenty senior officials each from the Japanese Defense Agency and the U.S. Department of Defense attended the 12th military technology forum.

The next forum will be held in the U.S. in September next year.

Joint Videotape Venture in Luxembourg Started

OW2409102291 Tokyo KYODO in English 0851 GMT 24 Sep 91

[Text] Tokyo, Sept. 24 KYODO—Teijin Ltd. announced Tuesday it has set up joint ventures in the United States and Luxembourg with E.I. Du Pont de Nemours and Co. to produce and sell polyester film for video tapes outside Japan.

The 50-50 venture in Luxembourg is capitalized at about 4.5 billion yen. A Teijin executive will preside over the company established last Friday, officials of Japan's top polyester maker said.

Teijin will acquire part of a polyester film plant of the U.S. integrated chemical maker in Luxembourg for the joint venture, the officials said.

Meanwhile, the Ohio-based joint venture is capitalized at about 140 million yen, equally invested by Teijin and Du Pont, which will provide a president, they said.

The new company expects to construct a manufacturing plant by some time in 1993.

The two joint ventures are predicted to initially produce 10,000 tons a year altogether, aiming at sales of some 10.5 billion yen each for the first year.

The total cost for purchase and construction of the new plants is estimated at 28 billion yen, the officials said.

Bank of Japan Chief Calls Rate Drop 'Natural'

OW2509075991 Tokyo KYODO in English 0737 GMT 25 Sep 91

[Text] Tokyo, Sept. 25 KYODO—Bank of Japan Governor Yasushi Mieno said Wednesday it is natural for long- and short-term prime rates to fall in light of interest rate movements on the money market.

Still, Mieno said the central bank is maintaining a close watch on the impact of declining prime rates on the economy and the minds of corporate management.

Mieno told a news conference the central bank will give top priority to stabilizing prices while closely following economic trends.

Referring to growing speculation that the central bank may lower the official discount rate, he said he is listening to various opinions in order to avoid misjudgment on the issue.

Mieno welcomed the outcome of a recent government survey showing a lull in soaring land prices, but added that he was not satisfied with current price levels.

Mieno called the existing curbs on lending related to real estate transactions a temporary step, and said the Finance Ministry should decide whether to retain or remove them.

He said the money supply has shrunk, but still remains at a high level.

Says Economy Remains Strong

OW2509083891 Tokyo KYODO in English 0821 GMT 25 Sep 91

[Text] Tokyo, Sept. 25 KYODO—Bank of Japan [BOJ] Governor Yasushi Mieno said on Wednesday that the backbone of the Japanese economy remains firm and that ballooned land values have not been sufficiently deflated.

Mieno told a press conference that recent economic indicators, including gross national product growth for the April-June quarter, have not caused the central bank to alter its perception of economic health.

He also said that recently-announced government statistics show the speculation bubbles that caused land prices to rocket in the late 1980s have not yet burst.

The land figures demonstrated that "the bubble is far from being completely eliminated," he said.

Mieno said the BOJ will keep watching the effect of the downtrend in market interest rates on the overall economy.

Asked about the GNP figures for the April-June quarter, Mieno said the slower growth in the period was primarily due to a reaction to the extraordinarily large expansion in the previous quarter.

The nation's GNP grew 0.5 percent in the April-June period from the previous three months, or an annualized 2.0 percent.

It grew 2.7 percent, or 11.0 percent at an annual rate, in the January-March quarter.

The weak figure for corporate capital spending, the principal driving force for the economy, which remained flat from the previous quarter, is also a product of a reaction to robust investments in the preceding quarter, he said.

He pointed out that domestic demand still grew at a brisk annual pace of 4.0 percent.

On land prices, the central banker made it clear the current level is still too high to persuade the BOJ to ease its guard against the threat of a resurgence.

The statistics show land prices have peaked, Mieno said, but added that this alone is not enough since land value has risen so sharply in recent years.

"It is important to ensure the trend is definite. We can't feel safe yet," he said.

Concern Voiced Over Consumer Price Increases

OW2509074491 Tokyo KYODO in English 0701 GMT 25 Sep 91

[Text] Tokyo, Sept. 25 KYODO—A senior Bank of Japan official told the Diet Wednesday the central bank remains concerned about the recent increase in consumer prices, although the wholesale price rise showed signs of calming.

Toshihiko Fukui, executive director of the central bank, made the observation at the House of Representatives' special committee on securities and financial issues.

Fukui made the remark because analysts are predicting that the Tokyo consumer price index for September will rise about 3.8 percent over a year ago.

The government is to announce the consumer price index Friday.

The bank must maintain a close watch on the index even though wholesale prices are moving in a desirable direction, he said.

Fukui emphasized the importance of correcting the bubble economy and high land prices, which remain at high levels.

Corporate Confidence in Economy Declining

OW2409100491 Tokyo KYODO in English 0834 GMT 24 Sep 91

[Text] Tokyo, Sept. 24 KYODO—A government survey on corporate perception of business trends Tuesday demonstrated further erosion of confidence in Japan's economic health.

But the survey, conducted by the Finance Ministry [MOF] in August, also showed companies have fairly optimistic views on the business trend for coming months.

The percentage difference between the large companies seeing business on an uptrend and those forecasting a downtrend declined to 2.6 for the July-September quarter from 6.9 in the previous quarter, the survey said.

The difference was a miniscule 0.1 for manufacturing companies, down from 2.3 in the previous survey.

But the number for all large firms increased to 7.0 when the companies were asked about their readings of the business trend in the October-December period, the survey showed.

And the percentage difference between the bulls and the bears on the outlook for the January-March period was a higher 10.2, it said.

The survey indicated the corporate perception of the economy, while deteriorating gradually, remains by and large firm, the ministry said.

A ministry official briefing reporters attributed the optimism among companies on their business performances to an expected upswing in sales, stable oil prices, the prospective recovery of the U.S. economy, and lower interest rates.

But he added the corporate mind is in a delicate phase, somewhat teetering between bullish and bearish sentiments.

The survey is based on questionaires covering over 10,000 nonfinance companies, both small and large, nationwide.

It showed the companies polled are expecting an average 5.0 percent year-on-year rise in sales in fiscal 1991, which ends on March 31, 1992.

They are also looking for an average 6.8 percent upswing in pretax profits in the current fiscal year.

The survey also illustrated easing supply-demand balance in the labor market.

Firms feeling the labor shortage minus those perceiving excess dropped to 32.2 percent for the end of September from 35.5 percent at the end of June.

On corporate finance, companies seeing an unfavorable environment for raising capital minus those perceiving favorable circumstances picked up to minus 16.1 from minus 21.5.

The companies cited tougher domestic competition, the labor shortage, high interest rates, and rising labor costs as the major management problems at the moment, the survey said.

'Big Four' Defy Ministry, Continue Kickbacks

OW2409145291 Tokyo KYODO in English 1422 GMT 24 Sep 91

[Text] Tokyo, Sept. 24 KYODO—The unraveling stock scandal which has dogged Japan's "Big Four" brokerage houses over the past few months took another turn Tuesday when Finance Minister Ryutaro Hashimoto revealed the four firms made good trade losses for selected clients in fiscal 1990 in defiance of a ministry directive.

Hashimoto's announcement was quickly followed by a ministry decision to suspend the four companies from underwriting government bonds for one month.

Hashimoto told a House of Representatives ad hoc committee studying the recent string of financial scandals that the four securities firms paid out a total of 43,552 million yen in loss compensation to 78 clients in the year ended March 31, 1991.

The four—Nomura Securities Co., Daiwa Securities Co., Nikko Securities Co., and Yamaichi Securities Co.—have already admitted paying a total of 128.32 billion yen in such compensation between October 1987 and March 1990.

The latest disclosure brings to 216,438 million yen the known amount of compensation made by the four and other securities companies.

Hashimoto said, however, the ministry's probe into the scandals has so far discovered no evidence that the four companies made prior promises of such paybacks.

Compensating against losses is not illegal unless promised in advance, although it goes against a ministry directive issued in December 1989.

A toughened securities and exchange law, presented to the ongoing Diet session, is aimed at formally banning such practices, calling for jail terms and fines not only for brokerages which pay kickbacks but also for investors which receive them.

Hashimoto also said the ministry's investigation has failed to prove that Nomura artificially drove up the stock price of Tokyu Corp., a railway and real estate concern, through massive buying in violation of the securities law.

Nomura has firmly denied it manipulated the Tokyu stock price, which surged in a mysterious manner to a record high during 1989.

Hashimoto said Nomura paid 435 million yen in six cases of payouts, Daiwa 3,275 milion yen in 20 cases, Nikko 23,475 million yen in 38 cases, and Yamaichi 16,367 million yen in 14 cases.

The lists of clients compensated, published by the four companies on the heels of Hashimoto's revelation, include such major trading houses as C. Itoh and Co., Marubeni Corp., Mitsubishi Oil Co., an oil concern, and Daiwa House Industry Co., a property developer.

Eight public institutions were among the recipients, including Mutual Aid Association of Public School Teachers and Kobe City Employees Mutual Aid Association.

However, no politicians or individual investors appeared on the lists, nor did such household names as Toyota Motor Corp., Hitachi Ltd., and Matsushita Electric Industrial Co., which were on previous lists.

Tuesday's disclosure forced the heads of the four securities houses to renew their apologies.

"We are very sorry that we were mistaken in having said there were no more payouts after March 1990," said Hideo Sakamaki, who became Nomura president after Setsuya Tabuchi and Yoshihisa Tabuchi (no relation) stepped down from the top management of the world's biggest brokerage.

Nikko President Yoshiro Takao also expressed deep regret but explained the actions taken were inevitable to tide over the Tokyo stock market slump.

Tsugio Yukihira, head of Yamaichi, attributed the malpractices to "lax in-house surveillance."

"We want to work hard to normalize our operations so that we can recover the investors' trust," he said.

Excluded From Local Underwriting

OW2509111491 Tokyo KYODO in English 1058 GMT 25 Sep 91

[Text] Tokyo, Sept. 25 KYODO—The Home Affairs Ministry directed local governments Wednesday to exclude the "Big Four" brokerages from underwriting publicly offered prefectural and municipal bonds for October, ministry officials said.

The ministry issued the directive to 27 local governments, including all of Japan's prefectures plus Hokkaido, Tokyo, Osaka, Kyoto, and 21 ordinance-designated cities.

The Finance Ministry decided Tuesday to suspend Japan's top four securities houses—Nomura Securities Co, Daiwa Securities Co., Nikko Securities Co., and Yamaichi Securities Co.—from bidding and underwriting government bonds for one month.

It is also expected to suspend them from managing public corporation bonds and other government-guaranteed bonds.

The Finance Ministry is punishing the brokerages for ignoring a December 1989 ministry directive banning compensatory payments to favored clients.

It was revealed Tuesday the firms continued to compensate clients from April 1990 to March 1991 to the tune of 43.5 billion yen.

This comes in addition to similar payments totaling 123.8 billion yen between October 1987 and March 1990, the revelations of which rocked the securities industry this summer.

The Big Four will not be allowed to take part in the management of some 105 billion yen in bonds which seven local governments, including the Tokyo Metropolitan Government, were planning to issue in October.

An official at the Tokyo Government Finance Bureau said it is regrettable the city's municipal bond underwriters have damaged the confidence of citizens.

The four brokers underwrite 29.3 percent of Tokyo's municipal bond issues. The metropolitan government plans to issue 30 billion yen in bonds in October.

Securities Law Revision Stressed

OW2509104291 Tokyo KYODO in English 1028 GMT 25 Sep 91

[Text] Tokyo, Sept. 25 KYODO—Finance Minister Ryutaro Hashimoto, expressing regret at the collapse of trust between the government and the securities industry over the recent compensation scandals, on Wednesday stressed the need to revise the law governing the industry.

Speaking at a special investigative panel of the House of Representatives, Hashimoto said the ministry has to resort to legal measures now that mutual trust between the two parties has collapsed.

He referred to the disclosure on Tuesday that the "big four" brokerage houses had continued to reimburse favored clients for stock investment losses after the ministry issued a directive against the practice in December 1989.

According to the ministry's report, the four major securities firms—Nomura, Daiwa, Nikko, and Yamaichi—paid out a total of 43.5 billion yen in kickbacks to their major customers in compensation in fiscal 1990, which ended March 31 this year.

Elaborating on the proposed revision of the Securities and Exchange Law, Nobuhiko Matsuno, director general of the ministry's Securities Bureau, told the same session that the changes will address unfair stock trading, manipulation, and dividends to investors in cases of equity financing by corporations.

Matsuno suggested there was no clear-cut definition of unfair stock trading and manipulation under the existing law.

Minoru Nagaoka, president of the Tokyo Stock Exchange, and Shogo Watanabe, chairman of the Japan Securities Dealers Association, who attended the session as special witnesses, said the securities industry is working to establish its own self-imposed rules to regulate loss compensation by brokerage houses.

Law Expected To Pass Diet

OW2409140791 Tokyo KYODO in English 1321 GMT 24 Sep 91

[Text] Tokyo, Sept. 24 KYODO—The government-sponsored bill to amend the Securities and Exchange Law to prevent the recurrence of lose-compensation schemes such as those involved in the recent stock scandal is expected to pass the House of Representatives of the Diet on Friday, government officials said Tuesday.

The special Diet committee probing the scandal decided the same day to wind up discussions on the scandal Thursday with a vote on the amendment bill.

At the heart of the scandal was the payment by brokerage houses of large amounts of compensation for securities transactions losses by favored clients. Such compensation, formerly the subject of Finance Ministry regulations, will be formally banned by the amended law.

Because of the ruling Liberal Democratic Party's clear majority in the House of Representatives, the bill is bound to pass at Friday's plenary session of the lower house, the officials said.

Sanctions Imposed on 'Scandal-Ridden' Banks

OW2409115891 Tokyo KYODO in English 1045 GMT 24 Sep 91

[Text] Tokyo, Sept. 24 KYODO—An increasing number of local governments around Tokyo have imposed sanctions against three scandal-ridden commercial banks, a survey by KYODO News Service showed Tuesday.

Actions against Kyowa Saitama, Fuji, and Tokai banks may spread further depending on progress in investigations by the Finance Ministry and law enforcement authorities.

According to the survey, 31 of 41 cities in Saitama Prefecture took action in late July soon after disclosures of a scandal at Kyowa Saitama Bank, suspending deposits of municipal budget funds for one month.

Saitama prefectural authorities imposed similar sanctions against Kyowa Saitama Bank in early August.

The Tokyo Metropolitan Government, which handles its more than 11 trillion yen in budgetary funds through Fuji Bank, served a warning to the bank but withheld action against it on grounds the scandal only involved an individual employee.

Four cities in the Tama region transferred part of their deposits at Fuji and Kyowa Saitama to other institutions. Kodaira has suspended depositing its official funds at Kyowa Saitama.

In Kanagawa Prefecture, Sagamihara excluded the three banks from a tender on deposits of its official funds, while Chigasaki withheld making new deposits at Fuji Bank.

Similar actions have been taken by local authorities in Miyagi and Chiba prefectures, while additional local entities are prepared to take such measures against the banks depending on progress in investigations.

Aug Crude Oil Imports Up 4.5 Percent on Year

OW2509081891 Tokyo KYODO in English 0758 GMT 25 Sep 91

[Text] Tokyo, Sept. 25 KYODO—Japan's crude oil imports in August rose 4.5 percent from a year earlier to 128.19 million barrels, buoyed by strong demand for gasoline and diesel fuel, the Ministry of International Trade and Industry (MITI) reported Wednesday.

However, the year-on-year growth is the first below 10 percent in four months.

Japan bought more crude in August than a year earlier from all oil exporting regions except China, which reduced its shipments by a year-on-year 5.7 percent.

Imports from the Persian Gulf accounted for 69.9 percent of the total, with those from Saudi Arabia and the

United Arab Emirates (UAE), the biggest and second-biggest crude suppliers to Japan, jumping 45.7 percent and 12.7 percent respectively.

In contrast, Japan's imports of fuel oil scored a sharp 27.8 percent decline from a year earlier, to 18.24 million barrels, as the country's oil concerns are trying to boost domestic output and reduce their dependence on overseas supplies.

Domestic production of fuel oil increased for the 43rd consecutive month, growing 5.8 percent from a year before to a monthly record of 102.46 million barrels, because of strong demand for gasoline and diesel fuel.

With the unusually cool summer slashing demand at power plants, domestic sales of fuel oil were down 4.5 percent from the year-earlier level to 109.63 million barrels.

Business Lobby Urges Flexible Employment System

OW2509105191 Tokyo KYODO in English 1034 GMT 25 Sep 91

[Text] Tokyo, Sept. 25 KYODO—A leading business lobby on Wednesday urged more flexibility in Japan's employment system to save precious labor in a country facing a chronic shortage of workers.

The Japan Federation of Employers Associations (Nikkeiren) called for an end to the Japanese system of regular employment of new graduates, which it sees as putting pressure on the already tight labor market.

Nikkeiren said in a report that the unique custom encourages the seniority system, hampering corporate efforts to put greater emphasis on workers' abilities than on the university from which they graduated.

Under the current regular employment system, most companies annually recruit graduates during a short period of time in the summer, rather than hire necessary workers at a necessary time.

Nikkeiren also pointed out that collective employment means wasting workers' abilities, since not every new employee can work where they can fully use their ability.

The group, instead, proposed the introduction of a more flexible employment system based on the ability and aptitude of would-be workers.

Nikkeiren, however, stopped short of pushing for scrapping the gentleman's agreement on employment, another practice particular to Japan, where companies are required to follow a specific timetable for recruitment.

Court Confirms Yasukuni Visits 'Unconstitutional'

OW2509071691 Tokyo KYODO in English 0546 GMT 25 Sep 91

[Text] Tokyo, Sept. 25 KYODO—The Supreme Court confirmed Wednesday that official visits by the emperor and prime minister to Yasukuni Shrine violate the Japanese Constitution's separation of government and religion principle.

Presiding Judge Akira Fujishima of the Supreme Court's second petty bench dismissed an appeal by the Iwate Prefectural Government and its assembly against a January 10 [words indistinct] high court ruling that declared the visits unconstitutional along with donations to the shrine from the prefecture's coffers.

In notifying the petitioners there was no reason to listen to the appeal, Fujishima's bench set a precedent that legal analysts predict will have a profound influence on future visits to the shrine by Japanese officials and on pending suits involving the separation of state and religion.

Article 20 of the Constitution, which guarantees freedom of religion, also stipulates no religious organization shall receive any privileges from the state nor exercise any political authority.

Yoshiaki Iisaka, Gakushuin University political science professor, said Wednesday's decision should serve to remind people that the separation of government and religion is not an issue that politics and society can look at lightly, but should be watched carefully.

In August, 16 cabinet ministers, including Finance Minister Ryutaro Hashimoto, paid visits to Yasukuni Shrine, which enshrines some 2.46 million Japanese soldiers and sailors killed in wars since 1853.

Gen. Hideki Tojo, Japan's prime minister during World War II, along with 13 other Class-A war criminals are also enshrined in the central Tokyo Shintoist shrine.

Former Prime Minister Yasuhiro Nakasone was the first postwar government head to visit Yasukuni in 1985, but the uproar voiced domestically and throughout Asia has deterred other prime ministers from making the call.

In 1979, the conservative-dominated Iwate Prefectural Assembly passed a resolution calling upon the emperor and the prime minister to pay homage at the shrine.

The assembly also donated 21,000 yen to the shrine in 1981 and spent some 72,000 yen on visits to Tokyo in connection with its resolution.

Morioka citizens, however, protested the actions and filed suits in 1981 and 1982 to demand the return of the money, saying it violated the separation of government and religion.

The Morioka District Court ruled in 1987 the actions did not violate the Constitution, but this January the Sendai High Court reversed the decision, saying an imperial visit to the shrine would have an "immeasurable effect on the state and society" regarding the separation of government and religion.

The Sendai court, however, did not order the assembly to repay the money to defendents althought it held that the donations were also in violation of the Constitution.

In March, the court rejected a request by the assembly to appeal to the Supreme Court, but the assembly pressed forward with its own "special" appeal.

Nuclear-Powered Mutsu Completes Third Sea Trial

OW2509033191 Tokyo KYODO in English 0257 GMT 25 Sep 91

[Text] Mutsu, Aomori Pref., Sept. 25 KYODO—Japan's only nuclear-powered ship, the Mutsu, returned to its home port of Sekinehama, Aomori Prefecture, on Wednesday after its third sea trial, a 35-day voyage in the South Pacific.

This was the first time the 8,242-ton Mutsu, launched in 1969, has sailed beyond the equator, going to a point hundreds kilometers off the Fiji Islands without any trouble, officials at the Japan Atomic Energy Research Institute said.

During the 20,000-kilometer voyage, the Mutsu's nuclear reactor was operated for a record of 767 hours, the officials said. In the May-June second sea trial this year, the ship's reactor was operated a total of 658 hours.

The Mutsu is scheduled to conduct one or two more sea trials, including one in northern sea areas, by March next year, after which the ship will be scrapped, the officials said.

The institute is currently considering how to dispose of the ship's reactor and how to reuse the ship itself.

The vessel has been plagued with problems throughout its history. After its reactor leaked radiation in September 1974, the ship was shut down for repairs until its restart in March 1990.

The Mutsu is equipped with a single pressurized water reactor with a rated output equivalent to 36,000 kilowAtts of electricity.

The ship's sea trials are designed to determine the behavior of its nuclear reactor under differing weather conditions and lay the basis for future research into the development of nuclear-powered ships.

North Korea

Claim of New Missile Development Denounced

SK2509053291 Pyongyang KCNA in English 0503 GMT 25 Sep 91

[Text] Pyongyang September 25 (KCNA)—The Japanese KYODO News Service recently released a groundless report that the Democratic People's Republic of Korea "is developing a new-type missile" which can attack Japan.

This is a propaganda full of sheer lies, which do not deserve even a passing note.

Japan is spreading such unfounded lies, continuously slinging mud at us over the nuclear inspection problem. At the September meeting of the Board of Governors of the International Atomic Energy Agency in Vienna, Austria, Japan took the main role in the adoption of an unreasonable "resolution" urging the Democratic People's Republic of Korea to sign the nuclear safeguards accord. She is motivated in this to find a pretext for turning herself into a military power and arming herself with nuclear weapons.

Having wrecked the atmosphere of the signing of the nuclear safeguards accord by us and blocked the way of resolving this problem, Japan is now trying to attain her insidious aim at any cost by picking a quarrel with us with outcries over "development of missiles" through mass media.

Not only once has the DPRK declared that we do not possess nuclear weapons nor do we have the intention or capacity to produce them.

Japan is now trying to make us admit "development of nuclear weapons" by raking up "support" of world opinion through the ridiculous fiction of "missile development." But this is a mistake.

Japan would be well advised to stop kicking up a row by faking up a fiction but pay a due attention to the denuclearisation of Asia and do no more act disclosing true color.

Foreign Delegations Arrive for Visits

PRC, Japanese Groups

SK2509052291 Pyongyang KCNA in English 0459 GMT 25 Sep 91

[Text] Pyongyang September 25 (KCNA)—Arriving here Tuesday [24 September] were a delegation of Yanbian University of China headed by its deputy rector Zhong Panlong to participate in the celebrations of the 45th founding anniversary of Kim Il-song University, a delegation of the International Board for Plant Genetic Resources headed by its Vice-President Van Sloten, a delegation of the International Institute of the Chuche Idea headed by its researcher Koichi Miyoshi, and a delegation of young traders and industrialists in Osaka Prefecture under the General Association of Korean Residents in Japan headed by Yo Yu-yon, vice-director of the North Committee of the Higashi Osaka Federation of Traders and Industrialists in Osaka Prefecture, to visit the socialist homeland.

Australian, Japanese, Swiss Groups

SK2509051191 Pyongyang KCNA in English 0457 GMT 25 Sep 91

[Text] Pyongyang September 25 (KCNA)—Jack McPhillips, chairman of the Central Committee of the Socialist Party of Australia, a delegation of the Shizuoka prefectural People's Council for Japan-Korea Friendship headed by its Chairman Akira Gikuta arrived here Tuesday [24 September] by air to participate in the international solidarity march for supporting Korea's reunification to be held in Korea.

Cherly Kalbfuss, chief of the Cultural Information Centre on the Democratic People's Republic of Korea in Lausanne, and his party arrived here Monday by air to participate in this march.

South's Efforts To 'Repress' Violence Condemned

SK2509060791 Pyongyang KCNA in English 0519 GMT 25 Sep 91

[Text] Pyongyang September 25 (KCNA)—No Tae-u recently cried that whatever "illegal violence" cannot be "tolerated" and issued an order to mercilessly repress it with "government power".

Commenting on this, the news analyst of NODONG SINMUN today says:

By "illegal violence" traitor No Tae-u meant the struggle of the South Korean patriotic, democratic forces demanding the punishment of the murderers who recently shot dead with a pistol Han Kuk-won, a postgraduate of Seoul National University, and the abolition of the "security-oriented rule".

Indelible is the crime in creating a murderous situation in South Korea and shooting an innocent postgraduate with a pistol. Nevertheless, an order was issued to mercilessly suppress the righteous struggle of the patriotic, democratic forces denouncing it, charging that the struggle is an "illegal violence". This bloody fascist outburst can be let out only by such malicious human butchers as No Tae-u group.

The No group forces the people to speak not a word of protest against its flunkeyist treachery, brutal murder and corruption. If anyone resists, it beats, shoots and suffocates by tear gas him to death and throws him into prison.

Though traitor No Tae-u, the dictator of the "Sixth Republic", is brandishing the bayonet today, he will pay more dearly than his predecessors for his crimes in pursuing the murderous policy surpassing the "Yusin" dictator Pak Chong-hui and the "Fifth Republic" dictator Chon Tu-hwan.

Student Working-Level Contacts Held at Panmunjom

SK2409160791 Pyongyang KCNA in English 1526 GMT 24 Sep 91

[Text] Panmunjom September 24 (KCNA)—The second working- level contact between student delegates of the Korean Language Department of Kim Il-song University and of the National Language Course of Konguk University in South Korea to discuss the question of a study tour team of South Korean students visiting the Northern half of Korea was held in the conference room of the Neutral Nations Supervisory Commission at Panmunjom at 15:00 today.

Noting that they heard the sad news through a South Korean radio that Han Kuk-won, a postgraduate of Seoul National University, was shot dead in a police firing, the delegates of the North side expressed deep condolences over the death of the martyr and asked their counterparts to convey condolences of the students and other people in the Northern half of Korea to his family and friends.

The delegates of both sides entered into the discussion of the main question.

Head of the North side Yi Taek-kon, a student of the Korean Language Department of Kim Il-song University, spoke.

He said the fellow students of Kim Il-song University are now filled with excitement, looking ahead to the day when they will meet and share joy with fellow students of Konguk University under the clear autumn sky in Pyongyang, and are making full preparations to greet them.

Saying all the exchange and cooperation to be held between students of the North and the South will be smoothly and successfully made only when the pillars of independent exchange and cooperation between the two courses of Kim Il-song University and Konguk University have been erected uprightly, he again called attention to the three-point issue raised by the North side at the first contact.

He expressed the belief that the three pillars related to exchange, that is, independent exchange, reunification-oriented exchange and free exchange, would ensure a smooth progress of exchange between students of the two universities and produce a good result making a substantial contribution to the reunification of the country.

He fully welcomed and supported the intention of the national language course of Konguk University to visit the North, and gave a detailed account of the stand of the Korea Language Department of Kim Il-song University toward it.

He spoke about the composition of a North-visiting excursion team, the period of its stay and its visiting places.

Giving a detailed explanation of functions, guarantee of personal safety and offer of conveniences during the visit to the north, he said there is no need to worry about it.

He broached the question of students of the Korean Language Department of Kim Il-song University paying a visit in return for the visit of Konguk University.

He expressed the hope that the excursion team of students from the North side would get help in taking an opportunity of visiting South Korea to console the fellow students who have been landed in an unhappy situation while fighting a patriotic struggle for reunification.

Agreeing that the North side's proposal regarding three pillars, independent, reunification-oriented and free exchange, is just, the delegates of the South side said all the fellow students in the South, too, think so.

They voiced full welcome and support to a return visit by students of the Korean Language Department of Kim Il-song University, proposing to discuss the detailed programme at a working-level contact.

The two sides reached a complete unanimity of views on all matters discussed including the composition and scale of the excursion teams.

The basic content of agreement on exchange of study tour groups between students of the Korean Language Department of Kim Il-song University and students of the National Language Course of Konguk University on which a full consensus was reached says that the exchange should be an independent exchange without interference of a third party, an exchange conducive to the national reconciliation, unity and reunification, an exchange of free visits and activities without any social and legal limitation and restriction, and should be the first model of exchange between students of the North and the South.

According to the agreement, the study tour group of students of the national language course of Konguk University will consist of students of the course without the interference of a third party and its size will be 120 persons.

The date of the visit of the group and its stay will be seven nights and eight days from October 8 to 15.

The places of visit will be Pyongyang, Kaesong, Mt. Paektu and Mt. Myohyang Districts, considering that it is the first travel conducted without prior acquaintance and preparations.

During the stay of the group, there will be a function of establishing sister relations, a linguistic symposium, a tea-party and discussion of a way of reunification, a seminar to preserve the purity of the language and letters of our nation, and other activities.

The agreement envisages the stay of the study tour group of students of the Korean Language Department of Kim Il-song University in the South will be seven nights and eight days from November 8 to 15 and it will correspond to the stay of the study tour group of students of the national language course of Konguk University in the North and concrete matters will be discussed at the future working-level contact.

The regular exchange of study tour groups of students of the Korean Language Department of Kim Il-song University and the national language course of Konguk University will be conducted under the unified control of the Pan-National Alliance of Youth and Students for Reunification (Pomchonghaknyon), after it is formed, as agreed upon at the August 15 reunification talks of students in the North and the South and Overseas Korean students.

A joint news briefing was given at the end of the contact.

Workers Denounce 'Murder' of South Student

SK2409113991 Pyongyang KCNA in English 1022 GMT 24 Sep 91

[Text] Pyongyang September 24 (KCNA)—Working people of all walks of life in the Northern half of Korea are now sternly denouncing the murder of Han Kuk-won, a postgraduate of Seoul National University, by the No Tae-u ruling group.

Han Kuk-won died, hit on the chest by a bullet fired by a policeman at students of Seoul National University when they were staging a demonstration on September 17.

Kim Kyong-wan, president of Kim Chaek University of Technology, said:

This murder was not an "accidental" case but was one more inevitable result of the "security-oriented rule" of the No Tae-u ruling group.

Noting that it is none other than No Tae-u who ordered police to carry weapons and fire them, he said that the South Korean people will not pardon the murderer.

Yun Yong-sok, a postgraduate of the doctoral institute of Kim Il-song University, said:

It is a crime which could be committed by such human butchers as the No Tae-u ruling group, which engage themselves in murder, firing bullets at random to stifle a peaceful demonstration of students and it reveals once again that South Korea is the worst zone of human rights violation in the world.

The murder is an unavoidable product of the fascist "security- oriented rule" and violent politics of the present "regime" and an extension of murder of students Kang Kyong-tae and Kim Kwi-chong and its continuation.

Kim Myong-kil, chairman of the students committee of the University of Construction and Building Materials, said:

People cannot live a day or keep themselves alive, to say nothing of realizing the desire for independence, democracy and reunification, with such murderous dictators as No Tae-u left alone in South Korea.

If the present rulers had not enforced the murderous "security- oriented politics" putting into the shade the "Yusin" fascist rule and the "Fifth Republic" dictatorship in South Korea, the tragic accident as today would not have occurred.

Ko Hyong-pin, head of a workshop of the Kim Chongtae electric locomotive complex, said:

The No Tae-u ruling group committed a thrice-cursed atrocity casting the shadow of death over students and people in a peaceful demonstration for independence, democracy and reunification.

The No group must immediately stop the murderous "security- oriented rule" and step down from power without delay, bearing responsibility for the murder.

'Vigilance Against Antisocialist Campaign' Urged

SK2409114791 Pyongyang KCNA in English 1013 GMT 24 Sep 91

["NODONG SINMUN Calls for Heightened Vigilance Against Antisocialist Campaign of Imperialists"—KCNA headline]

[Text] Pyongyang September 24 (KCNA)—It is important for the party members and other working people to thoroughly establish the working-class viewpoint today when the imperialists are leaving no stone unturned in their efforts to destroy the faith in socialism in the hearts of people and disorganise socialism from within in pursuance of "peaceful transition" strategy, says NODONG SINMUN today in an editorial headlined "Let Us Thoroughly Establish Working-Class Viewpoint".

What is important for the party members and other working people to possess a working-class viewpoint is, first of all, to more firmly establish the revolutionary world outlook of chuche, the paper points out, and continues:

The party members and other working people should deeply grasp the originality, justness and vitality of the chuche idea. To this end, they must make a systematic and deep-going study of the works of the great leader Comrade Kim Il-song and the party's documents, the library of the chuche idea.

What is important for the party members and other working people to firmly establish the working-class viewpoint is also not to forget the class origin any time and anywhere and firmly believe the justice of the revolutionary cause of the working class.

The party members and other working people should always defend as the apple of the eye the socialist system established in the sweat of their brow and cherish deep in their hearts the pride and honor of our country restored by the great leader and glorified by our party being the best.

What is important for the party members and other working people to firmly establish working-class viewpoint is also to sharpen revolutionary vigilance against the anti-socialist campaign of the imperialists and wage an uncompromising struggle against them.

There can be no illusion about imperialism among the people who are making revolution, the paper says, adding:

The party members and other working people should be clearly aware of the truth of the capitalist system and take a resolute attitude toward the anti-socialist campaign of the imperialists. Particularly, they should have a correct understanding of the reactionary nature of the bourgeois parliamentary system and multi- party system and the anti-popular nature of private ownership advertised by the reactionaries and have a clear understanding that bourgeois ideology and culture are an ideological tool which makes people corrupt and degenerate.

The new war provocation manoeuvrings of the imperialists behind the curtain of "peace" must be smashed at every step.

Daily Views Loyalty of Youth to Kim Il-song

SK2409171591 Pyongyang KCNA in English 1509 GMT 24 Sep 91

["Our Young People Are Dependable New Generation Unfailingly Loyal to the Party and the Leader"]

[Text] Pyongyang September 24 (KCNA)—It is a great pride and honor of our people to create a model of the Youth Movement and successfully solve this question under the leadership of the great party, says NODONG SINMUN in a by-lined article titled "Our Young People are Dependable New Generation Unfailingly Loyal to the Party and the Leader."

Noting that the biggest honor of the Korean Youth Movement lies in creating and glorifying the great tradition of loyalty to the party and the leader, the author of the article quotes the dear leader Comrade Kim Chong-il as saying:

"Our young men and women have waged an arduous, yet worthwhile struggle in enthusiastic support of the leadership of the party and the leader. In the course of this, they have rendered immortal services that will be remembered long in the history of the country."

Loyalty of the youth of new generation to the party and the leader is a fundamental question related to the present victory of the revolution and its future destiny.

"Young men and women, be the young vanguard unfailingly loyal to the party and the leader!" This revolutionary slogan put forward by our party is a great call which is carrying into practice the historical experience and lesson of the revolutionary movement, the essential demand of the youth movement and their purpose and desire.

The young vanguard of our party is composed of fighters who defend and safeguard politically and ideologically the party and the leader with their own lives and remain true to the leadership of the party and the leader under whatever circumstances and carry through the line and policy of the party, regarding the chuche idea as their unshakable faith.

Our young men and women have successfully discharged their honourable mission and duty ever since the initial period of the revolution.

Our young people who carried forward the tradition of loyalty established in the flames of the anti-Japanese revolutionary struggle have faithfully fought in each period and at each stage of the developing revolution and forcefully demonstrated the mettle of heroic new generation under the leadership of the party and the leader after liberation.

Today our young people are waging a vigorous struggle to firmly defend and safeguard and glorify our socialism from the moves of the imperialists and reactionaries, deeming it their revolutionary faith and obligation to remain loyal to the party and the leader.

It is a rock-firm faith and obligation of our young people cherished in the flame of the protracted revolutionary struggle to defend and inherit the tradition of loyalty to the party and the leader.

Unfailing loyalty to the party and the leader is one of the physical qualities of our young men. Unbounded loyalty to the leader of the revolution which was deeply cherished in the hearts of the passionate young Communists at the dawn of the Korean revolution is pulsating in the hearts of the third and fourth generations of the Korean revolution.

Fidelity of the Korean youth to the party and the leader is demonstrated in that they always uphold the intention of the party and play the role of vanguard and shock brigades in the struggle to implement the lines and policies of the party.

"When the party is determined, we can do anything!" This is the solemn pledge and resolution of our young men and women and the slogan of their strict practice. All the youth across the country as well as young workers and soldiers are giving full scope to their youthful resourcefulness and valour in the course of putting the party's intention into practice, upholding this slogan.

Unbounded loyalty of the Korean youth to the party and the leader also lies in that they resolutely defend and safeguard the party and the leader under whatever circumstances.

The Korean people and youth are smashing the reactionary ideological offensive of the imperialists with the immovable viewpoint and stand that ideology, theory and method of chuche are the best and when it is upheld and tightly grasped, the cause of socialism and communism can be accomplished.

It is an unshakable principle of the Korean youth in their daily life to raise it as the first and foremost task to defend the party and the leader whatever they may do any time and anywhere and carry it out flawlessly with spotlessly clean and honest hearts.

Endless fidelity of the Korean youth to the party and the leader lies in that they discharge their duty as the trail blazer of the future of socialism and communism.

The young men of the first and second generations of the Korean revolution had hewn the correct road to colonial national liberation, the shortcut to socialism, and created a model of new life of socialism under the leadership of the party and the leader and under the banner of the chuche idea, while the youth of the third and fourth generations, under the banner of the three revolutions, are taking the lead in the struggle to usher in bright future of mankind in which the independence of the popular masses are completely realised and individualism and talent of man are given full scope.

The fundamental source of the formation of the tradition of loyalty to the revolutionary cause and its successful inheritance and development in the youth movement of our country is the greatness of the leader.

Unfailing loyalty of our youth to the party and the leader is the ideology and sentiments based on the pride and confidence that our leader and our party are great and our chuche idea and the Korean-style socialism founded and built by the party and the leader are the best and an ideological and spiritual traits based on the consciousness and will to glorify the cause of the party and the leader, the cause of chuche-based socialism still further.

As there is the tested leadership of the great party and there are the ranks of young vanguards unfailingly loyal to the party, our revolution will always emerge victorious and the future of the country will shine endlessly, the article stresses.

'Advantages of Socialist Economic System' Praised

SK2109105991 Pyongyang KCNA in English 1007 GMT 21 Sep 91

[Text] Pyongyang September 21 (KCNA)—A correct guideline has been indicated to accelerate socialist construction by giving full play to the advantages of socialist economic system, with the exposition of the questions of strengthening the political leadership of the party, putting main emphasis on the unified guidance and planned management of the state and carrying through the mass line and correctly turning to account the transitional nature of socialist society in socialist economic management, says NODONG SINMUN today in a by-lined article dealing with the intrinsic characteristics of socialist economic management.

The article quotes the dear leader Comrade Kim Chong-il as saying:

"The socialist economic management has intrinsic characteristics different from capitalist industrial management based on individualism as it reflects the communist nature of socialist society."

To place main stress on political guidance is an intrinsic characteristics of socialist economic management.

Onwy when the political guidance of the party is strictly ensured, is it possible to firmly arm all the officials and working people who participate in production and construction with the economic policy of the party, closely unite them around the party and the leader and powerfully accelerate socialist economic construction by giving fullest play to their creative strength and wisdom.

The party's leadership is the life-line of socialist economic management and fundamental source of its advantages and vitality.

With the party's political guidance firmly guaranteed, the advantages of the socialist economic system based on collectivism are resolutely defended and fully displayed in our country.

To manage and operate the economy in a planned way under the unified guidance of the state is one of the intrinsic characteristics of socialist economic management.

Thanks to the planned management of economy under the unified guidance of the state in our country, socialist enlarged reproduction is undertaken on an extensive scale through the most rational use of workforce and natural resources of the country and the realization of planned production and distribution, accumulation and consumption, and the effectiveness of production is heightened to the maximum through the rapid development of science and technology and the establishment of rational relationship between science and technology and production.

In slandering and abusing the socialist planned economy, the imperialists are now seeking to establish economic domination over socialist countries by undermining socialist economy from within and turning it into the capitalist market economy.

The capitalist market economy, no matter how hard they may beautify it, is an anti-popular economic system which brings exploitation and oppression, unemployment and poverty to the people.

Only when the unified guidance of the state under the party's leadership is strengthened can the socialist planned economy be defended and its advantages be brought into full play.

Noting that to thoroughly implement the mass line is intrinsic characteristics of socialist economic management, the article says that socialist economic management also has characteristics reflecting the transitional nature of socialist society.

Party's Guidance Over Socialism Reaffirmed

SK2209134391 Pyongyang Korean Central Broadcasting Network in Korean 0007 GMT 19 Sep 91

[NODONG SINMUN 19 September "special article": "The Party's Revolutionary Character and Guiding Role Are Basic Factors for Superiority of Socialism"]

[Text] In his immortal work, "The Popular Mass-Centered Socialism of Our Own Style Is Ever-Victorious and Indomitable," dear leader Comrade Kim Chong-il gave a profound scientific and theoretical explanation on the relations between the party of the working class and socialist society based on the chuche idea. In this work, he expounded a unique idea that the party's revolutionary character and guiding role serve as basic factors for socialism's superiority and firmness.

This is an immortal merit providing a precious ideological and theoretical guideline that one should consistently adhere to in building socialism and communism, which is working class' cause for building the party.

Dear leader Comrade Kim chong-il has indicated: Socialism's superiority and firmness depend on the revolutionary character and guiding role of the party of the working class, the guiding force of socialist society.

Because socialism is a society that is to be established and led by the party of the working class, socialism's overall features and development are to be settled by the party. Socialism's superiority and firmness depend on how the party maintains its revolutionary character as the party serving the working class and working masses and as the party struggling to accomplish the cause of the popular masses for independence and on how the party fulfills its guiding role.

Socialism in our country does not waver in the face of the atrocious antirevolutionary offensive of the imperialists and reactionaries but is highly displaying its superiority and firmness, thanks entirely to our party, which firmly maintains its revolutionary character as the party of chuche and constantly heightens its guiding role.

The revolutionary character and guiding role of the party of the working class serve as a basic factor for socialism's superiority and firmness because they enable one to adhere to and develop the revolutionary ideas of the working class.

In general, society's progressiveness and might are to be defined by how one realizes man's original demand. What plays the decisive role in broadly and deeply realizing man's original demand is the justness, scientific nature, and might of the revolutionary ideas of the working class.

Socialism is a society to be pioneered and developed on the revolutionary ideas of the working class that have materialized from man's original demand. Therefore, in order for one to build and accomplish the superior and popular socialist society, one should adhere to and develop the revolutionary ideas of the working class. This is one of the basic issues related to socialism's development and future.

This issue can be brilliantly resolved only when the party of the working class correctly fulfills its guiding role by firmly maintaining its revolutionary character.

The party of the working class is a political organization that is led by the revolutionary ideas created by the leader and that carries out its activities according to these ideas. Thus, the course of the party of the working class to fulfill its guiding role by maintaining its revolutionary character is the course of maintaining the revolutionary ideas of the working class in the party's activities for socialism and is the course of leading society and the revolution by considering the revolutionary ideas the guideline.

Only when the party of the working class correctly fulfills its guiding role by thoroughly maintaining the revolutionary character can the revolutionary ideas of the working class created by the leader be firmly maintained as the sole guiding idea for the socialist cause and be widely disseminated to society and comprehensively embodied.

Only when one thoroughly reforms all domains of society according to the demand of the revolutionary ideas of the working class and prevents various miscellaneous ideas that are contrary to these revolutionary ideas from infiltrating society, can one enable only the revolutionary ideas of the working class to dominate all of society.

The development of the monolithic character of the revolutionary ideas that constitute the ideological basis of socialism should also be ensured in addition to guaranteeing this character. This is another principled issue for developing socialism's ideological basis. This issue will be realized only when the party maintains its revolutionary character and correctly fulfills its guiding role.

The party of the working class is to gain rich practical experiences while victoriously leading the socialist construction by realizing the revolutionary ideas according to the specific reality. The party of the working class popularizes these experiences in a scientific and theoretical manner and, in particular, resolves timely and correctly the new theoretical and practical problems in developing and accomplishing socialism. Herein lies the greatness and wise character of the party and its great role played in carrying out the revolutionary cause.

In our country, through his energetic ideological and theoretical activities, dear leader Comrade Kim Chong-il is tenaciously adhering to the respected leader's revolutionary ideas. He gave a perfect scientific elucidation to numerous new problems in the socialist construction. As the result of this, the man-centered chuche idea, which constitutes socialism's ideological basis, is developing and being enriched as a precise guiding idea for accomplishing the socialist and communist cause in our era.

Thus, our socialism is continuously and highly displaying its superiority and indomitable might as man-centered socialism that has most excellently embodied man's original demand based on the ideology that is constantly consolidated and developing.

The revolutionary character of the party of the working class and its guiding role serve as basic factors for socialism's superiority and firmness because they enable one to consolidate the political foundation of socialism by realizing the unity and cohesion of the leader, the party, and the masses.

The unity and cohesion of the leader, the party, and the masses which constitute the political foundation of socialism are the basis for socialism's superiority and firmness. When socialism is established and developed on the basis of the unity and cohesion of the leader, the party, and the masses, all people can constitute a large family harmoniously living together while helping and leading each other and can they have indomitable might with which to break through all difficulties and trials.

In order to realize the unity and cohesion of the leader, the party, and the masses at the highest level under socialism, the party of the working class should maintain its revolutionary character and correctly fulfill its guiding role.

The might of socialism's political foundation largely depends on how broad the range of the masses one can unite with the party and the leader. Under socialism in which all members of society have become the socialist workers whose basic objectives and interests are not different from each other, the social conditions enabling all people to unite themselves into one political force have been provided.

However, even under socialism, the unity and cohesion of all people are not realized by themselves. They can be realized only by the party, a guiding political organization of socialist society. Only when the party's monolithic guidance over society is ensured can one make all political organizations struggle to achieve the common goals with the party of the working class as the center providing guidance by smashing the imperialists' maneuvers for division and destruction. Only when the political life of all members of society is organized and carried out in a unified manner under the leadership of the party of the working class can one make all people unite with the party and the leader.

In order to make the political foundation of socialist society firm and vigorous, all the people should not only support socialism but also achieve single-hearted unity with the party and the leader.

The party of the working class is in charge of a very important position and role in realizing single-hearted unity with the leader, the party, and the masses.

The party of the working class is the center of the social and political organic body, which shares the same fate by uniting the leader, the party, and the masses into one life. Also, the party of the working class plays the role of uniting through blood ties the popular masses and the leader, who is the supreme brain and center of this organic body. Only through the party's pivotal role can the popular masses be armed with the leader's revolutionary ideology; breathe and think with the leader under one ideology; and be united ideologically. Also, the popular masses are embraced in the revolutionary organization that the leader provided so that while carrying out organizational life they can unite with the leader organizationally. Thus they can repay the leader's great political trust and comradely love with loyalty and filial piety and unite with the leader morally and dutifully.

Our country's socialism does not waver no matter what the difficulties and highly manifests its superiority and vitality because it has the most solid social and political basis in which the leader, the party, and the masses are united in a single-hearted way.

The revolutionary character and guiding role of the party of the working class is a fundamental element in socialism's superiority and firmness. This is because it accelerates socialist construction and guarantees the popular masses a true socialist life in accordance with the people's intrinsic demand.

The life the people are enjoying is an important yardstick in showing the degree of development in a socialist society and its superiority. Therefore, if socialism has a correct appearance as a developed and superior society and if its might is to be highly manifested, socialist construction must be accelerated so that the people can actually enjoy a true socialist life. In order to completely realize the popular masses' sovereignty, this work of pioneering a path never trodden before is an unfamiliar and complicated struggle. This can be correctly carried out only through the party's scientific strategic and tactical leadership.

Among all the political organizations in a socialist society, the party of the working class is the one with the capability of realizing the strategic and tactical leadership of society and the revolution as its mission by realizing the leader's ideology and leadership.

The party of the working class' scientific strategic and tactical leadership must be firmly guaranteed. By doing so, the socialist cause can establish a correct goal and policy and move towards the road of victory according to the popular masses' direction and demand, which conforms with the leader's ideology and intention. Also socialist life can proceed towards the direction of further realizing man's independent and creative demand.

Also, the party of the working class should proceed from a revolutionary position and carry out its leadership role correctly so that the socialist principle and method can be thoroughly fulfilled in the revolution and construction. This makes it possible to develop all fields of social life in a planned and balanced way and to promote socialist construction at an infinitely high speed. Therefore, this wholly ensures the provision of the political, economic, ideological, and cultural conditions for guaranteeing a true socialist life.

Our party firmly realized the unitary leadership of the revolution and construction. By doing so our party wisely led the people to carry out the overall socialist construction in accordance with the demand of the true nature of the social human being and socialist rules. Therefore, the people were able to actually enjoy to their hearts' content a highly valuable socialist political life; a sound and balanced economic life; and a rich and lofty ideological and cultural life.

Dear leader Comrade Kim Chong-il revealed that the revolutionary character and guiding role of the party of the working class are the basic factors in socialism's superiority and firmness. This is another great contribution in which he has clarified that this ideology contributed to developing the working-class revolutionary theory and to carrying out the socialist cause.

Under the leadership of the great party, we will deeply possess the pride and dignity of vigorously building and elucidating a superior socialism and will fight by devoting all we have in consolidating and developing the socialism of our own style.

KCNA Reviews 25 Sep Pyongyang Press

SK2509061591 Pyongyang KCNA in English 0507 GMT 25 Sep 91

[Press review]

[Text] Pyongyang September 25 (KCNA)—NODONG SINMUN today carries news that foreign news media reported about the great leader President Kim Il-song's on-the-spot guidance to different fields of the national economy in North and South Hamgyong Provinces.

Given in the paper are a message of greetings to President Kim Il-song of the Democratic People's Republic of Korea sent by Idris Deby, president and head of state of the Republic of Chad, on the occasion of the 43rd birthday of the DPRK and news that he received a letter from the participants in a meeting held in Mali to celebrate the DPRK founding anniversary.

The paper prints a message of greetings to the Central Committee of the Workers' Party of Korea [WPK] sent by the Central Committee of the Progressive Party of the Working People of Cyprus on the DPRK founding anniversary and a message of greetings sent by the WPK Central Committee to Michael Manley upon his reelection as president of the People's National Party of Jamaica.

The paper reports what South Korean people said in full support of President Kim Il-song's proposal for reunification through a confederacy.

President Kim Il-song has deep concern for providing the people with fresh vegetables in every season, says MINJU CHOSON.

Works of the dear leader Comrade Kim Chong-il were reported by foreign news media, according to the press.

NODONG SINMUN carries an article on the energetic guidance of Comrade Kim Chong-il in having made the sixth congress of the Workers' Party of Korea and the celebrations of the 35th party founding anniversary grand political festives.

The paper comes out with an article entitled "The Cause of Independence Against Imperialism Is Ever-Victorious."

It reports that a meeting of rice breeding workers of West African nations was held at the Kim Il-song Institute of Agricultural Science in Guinea and the prime minister of Pakistan and the chairman of the Finnish Leftist League met the DPRK ambassadors to their countries.

The paper reports about sojourn of the Pochonbo light music troupe of the DPRK in Japan .

The paper carries the information No.600 issued by the Secretariat of the Committee for the Peaceful Reunification of the Fatherland condemning the South Korean authorities for obstructing national reconciliation and unity and blocking contact and dialogue.

Appearing in the press are accounts of a Pyongyang meeting held to mark the 45th anniversary of the September general strike of South Korean workers and the second working-level contact held between student delegates of the Korean language department of Kim Il-song university and of the national language course of Konkuk University in South Korea and the main content of an agreement on exchange of study tour groups between the two universities.

NODONG SINMUN introduces the family of Yi In-mo, a former war correspondent of the Korean People's Army and "a long- term prisoner who refused to be converted", who are living in Pyongyang.

The paper runs a commentary on the repressive order issued by the South Korean authorities against the patriotic democratic forces who are demanding the abolition of the "security-orientated rule".

The paper carries a joint statement published by delegates of political parties of different countries, who has participated in the festival of L'HUMANITE, the organ of the French Communist Party, in support of the Korean people's efforts for national reunification.

The paper reports that Comrade Jiang Zemin called for steadfastly advancing along the road of socialism with Chinese characterisitics.

Chinese President Yang Shangkun inspected the North China Sea Fleet and a film "Zhou Enlai" was produced in China, according to the press.

Papers inform the readers that the Syrian president referred to peace problem in the Middle East and the Indian president said cooperation between India and China would make a decisive contribution to maintaining regional and world peace and security.

NODONG SINMUN carries materials on the recent Soviet economic situation.

South Korea

North Leader Said To Admit Nuclear Arms Program

SK2509111791 Seoul CHUNGANG ILBO in Korean 25 Sep 91 p1

[Report from Hong Kong-based correspondent Chon Taek-won]

[Text] A high-level official in Beijing said on 25 September: North Korea recently informed the PRC of its decision to possess nuclear weapons and called on the PRC to approve this. Immediately after the failure of the coup attempted by the military conservative forces in the Soviet Union, North Korea held a secret meeting with high-level cadres of the Communist Party of China in Pyongyang late last month. North Korea then informed the PRC of its decision to own nuclear weapons in order to adhere to the system of socialism. It also called on the PRC approve this.

The official said: Kim Yong-sun, secretary of the North Korean Workers Party of Korea, who participated in the meeting as a delegate on the North Korean side, informed Zhu Liang, head of the International Liaison Department of the Communist Party of China, of its decision, saying that our party (North Korean Workers Party of Korea) has decided to own nuclear weapons in order to prevent the West from perpetuating the division of the Korean peninsula.

It is said that Secretary Kim Yong-sun, explaining North Korea's decision to own nuclear weapons based on its analysis of the Soviet coup, had called on the PRC to approve this because the PRC, as a socialist country, is also facing a crisis in maintaining the system of socialism after the coup in the USSR.

It draws our attention to the fact that North Korea's notifying the PRC of its decision to have nuclear weapons shows that it is capable of developing and possessing nuclear weapons in order to arm itself.

Kim Yong-sun's analysis, while pointing out that the West wants to reform the Soviet socialist system but does not want the Soviet central government to be dissolved, is that this is because the United States has no guarantee of effectively controlling the nuclear weapons deployed in some of the republics after the dissolution of the Soviet central government. His analysis is also that this is because the United States fears the republics might use nuclear weapons in their conflicts.

It is said that Kim Yong-sun, after analyzing the Soviet situation, concluded that the West's fear is whether or not we possess nuclear weapons, and that he said: The more the hostile forces are afraid of nuclear weapons, the more we should arm ourselves with them.

Kim Yong-sun also said that the major objective of the United States and Japan in pressuring the PRC to sign the Nuclear Non-Proliferation Treaty is to prevent North Korea from possessing nuclear weapons.

Kim Yong-sun is known as a real force in North Korea and is taking charge of all policies toward South Korea as well as international affairs.

The PRC, until now, has not informed North Korea of its position on the DPRK decision to possess nuclear weapons.

On 18 September, the day after North and South Korea's simultaneous entry into the United Nations, North Korea said that it would sign the Nuclear Safeguards Agreement if the United States and South Korea would not pose a nuclear threat to North Korea and if the United States would withdraw nuclear weapons from South Korea.

It has been assessed that the possibility that North Korea will sign the conditional agreement shows that it has a double-edged strategy.

No Tae-u Speech at UN General Assembly

SK2409172691 Seoul KBS-1 Television Network in Korean 1509 GMT 24 Sep 91

[Speech by ROK President No Tae-u to the UN General Assembly, New York—live]

[Text] President, secretary general, and respected representatives of various countries:

Three years ago, at this very place, I conveyed the refreshing emotions from the Seoul Olympics, where the young people of the entire world, transcending differences in races, religions, ideology, and systems, gathered on the single ground of harmony. The world has repeatedly undergone revolutionary changes since then. Now, mankind is watching one peaceful world, which was embodied by the Olympics, become a reality. The fact that I can stand on this podium as president of a member country reflects a new wave of history.

It took 42 years and eight months for the ROK to enter the United Nations, from the time when it first applied for UN admission. When you recall the long period during which the ROK had been waiting patiently, you will be able to imagine our people's emotions at our UN admission. I extend the thanks of all of our 43 million ROK people to all the people who had helped and supported our country's admission into this dignified global organization and all the countries and all the people that had spoken for us when we had been absent from this place.

What had prevented our UN admission was the cold-war structure. It has become the legacy of the past era. The Solidarity workers in Gdansk who raised the banners of Polish reforms, the bold government in Budapest, the people who cried for freedom at Vaclav Square [as heard], and the East German people who tore down the Berlin Wall—they not only freed themselves but also opened ways for genuine peace in the world. What they tore down was not only the wall which had restrained them but also that of all of us which divided mankind into blocs of confrontation and hostile relations. What had made this all possible was reforms in the Soviet Union no matter what other people may say. The achievements which the people of all the countries of the world who, while pursuing freedom and human values, have yielded unprecedented prosperity were an encouraging factor in this. I share today's joy with all the people who have hoped for a single harmonious world and express respect for the courage of them, who have turned what used to be impossible in the past into a reality.

President: I congratulate you on your election as president of the 46th UN General Assembly and expect that the current General Assembly will yield substantial results.

President: At this General Assembly, the DPRK, which is our brother, became a member nation along with the ROK. It is very significant for me that we are able to walk the road of peace and reunification with our brothers in the North, and I truly congratulate their admission into the United Nations.

Continuing the confrontation of attrition without recognizing each other's existence will only perpetuate the tragedy of division. Believing that for North and South Korea to simultaneously enter the United Nations is the most realistic option for achieving peace on the Korean peninsula and her reunification, we have pursued this. The North-South Korea simultaneous UN admission has been the most epochal change in North-South Korean relations since the division. As responsible members of the international community, both North and South Korea must abide by the UN Charter and fulfill their assigned duties for peace on the Korean peninsula and in the world.

Seeing the representatives of North and South Korea present at this hall of peace together, I firmly believe that a new chapter of reconciliation and cooperation will open on the Korean peninsula. The Korean nation is divided into the North and South. However, we have never forgotten even for a moment that we are of the same race. The fact that North and South Korea entered the United Nations as separate members is heart-rending and incomplete. However, this is a middle step that must inevitably be taken for reunification.

It took more than 40 years for us to move mere tens of meters from an observer's seat to a member's seat, and it took 17 years for East and West Germany to merge their two seats into one. However, I firmly believe it will not take that long for North and South Korea to merge the two seats into one. [applause]

Holding dialogue and cooperating with each other in this hall of peace, North and South Korea together will embark upon the road toward achieving a single country. In this world, where the cold war structure, which gave us the tragedy of division, has crumbled, we will achieve reunification independently, peacefully, democratically, based upon determination of peoples, with no military forces, and with the free will of all the members of the nation. I expect that the United Nations and all of its member countries will encourage and support our efforts to join all mankind's march toward a peaceful world by achieving the reunification of the Korean peninsula.

President and representatives of various countries: The world is being born anew as a result of epochal changes. Oppressive systems that suppressed human dignity and freedom have been dissolved in various parts of the world, and disasters caused by the hardened ideology have been coming to an end. The cold war has lost its meaning, and countries and people have been able to decide their own destinies. We describe these changes to be great because history is marching forward not by bloody revolutions but by man's reason and free spirit. However, great changes are merely making their start now.

These changes in the world which give hope and boundless possibilities to all of mankind must go a long and rugged way before they become a new order that will bring peace. This is proven by last month's unfortunate situation in the Soviet Union. The entire world passed the three days amid shock and worry. The victory of Moscow citizens who planted roses on top of tank barrels was that of all the people who hope for peace. This has led all the people to keenly realize that peace is inevitable.

No matter how small they may be, reforms require sacrifices. The Soviet Union and various Central and Eastern European countries are paying enormous prices and facing numerous difficulties in completely changing their political, economic, and social structures which they have maintained for decades. Sacrifices for reforms must be divided depending on how each side benefits. The world had to spend enormous resources in pursuing the arms race and guaranteeing peace during the cold war era. All the countries of the world and all of mankind will enjoy benefits from these great changes and peace in the world for a long time. I expect that all the countries that enjoy prosperity will more positively extend assistance necessary for the countries—which had chosen the controlled system and the centrally controlled economy—to adopt democracy and the market economy.

No other people more ardently yearn for a peaceful world than us, who suffered most from the cold war. The ROK, which stood up from the ashes of war just one generation ago and which has achieved economic and democratic development at the same time, has a full understanding of what countries that try to pursue economic development and democratic reforms at the same time should do. The ROK, though not a prosperous or advanced country, will sincerely encourage the Soviet Union and Central and Eastern European countries and will extend cooperation to them to the utmost within our capability.

President: During my speech to the 43d UN General Assembly, I said that firm peace would come on the day when swords are turned into plowshares on the Korean peninsula. This is because all the ordeals in the world during the 20th century swept our land and because their legacies still remain there. The situation around the Korean peninsula has changed drastically in the past three years.

Even before this reform shook the earth, we overcame by ourselves the barrier of the cold war, and established diplomatic relations with all the countries of the Soviet Union and Central and Eastern Europe and also opened the road for exchange and cooperation with our neighbor, China.

Amid the new friendly and cooperative relations with these countries which were under confrontation and which the road for visiting was ruptured during the past half century, our people saw that a new trend in history was coming to the Korean peninsula and experienced the greatness of reconciliation.

The Korean people were convinced that the day for peace and reunification will take place on this divided land where the danger of war is hovering.

Due to South and North Korea's UN admission, the Korean peninsula has ushered in the era of peaceful coexistence. Based on this, South and North Korea must settle peace and realize positive relations to achieve reunification ahead of schedule. In order to achieve this, South and North Korea must agree to the following principle and put this into practice concretely.

First, South and North Korea must turn the unstable armistice into a peace system. Even at this very moment, a total of 1.7 million heavily armed soldiers confront each other on the Korean peninsula, concentrated along the 250-kilometer-long truce line. While maintaining a cease-fire that is neither war nor peace for almost 40 years, we had to lead an intense life. South and North Korea must conclude a peace agreement, thus relinquish the use of force against each other, and proceed along the road in normalizing relations in all fields.

Second, in order to eliminate the threat of war on the Korean peninsula, based on establishing military trust, South and North Korea must promote practical arms reduction. In order to dissolve military confrontation on the Korean peninsula, South and North Korea must first of all achieve measures to eliminate military distrust such as exchanging military information; notify in advance of field exercises and troop movements; and mutually dispatch permanent observer teams to prevent surprise attack. Most of all, developing nuclear weapons on the Korean peninsula will be a threat not only to Northeast Asia but for world peace. Nuclear energy must be used only for peaceful purposes to promote man's welfare and not for a military purpose which is for destruction. North Korea, which joined the Nuclear Non-Proliferation Treaty, must unconditionally accept the inspection of all of its nuclear material and facilities for inspection by international organizations. If North Korea gives up its plan to develop nuclear weapons and if efforts to establish trust between South and North Korea progress, I express the willingness to take up discussions with North Korea not only on the reduction of conventional forces but also on the nuclear issues on the Korean peninsula.

Third, South and North Korea must open the road for free exchanges of people, products, and information to put an end to the era of rupture. In the South and North of the Korean peninsula, over 10 million people belong to families separated due to division and war. They do not know if their separated parents and brothers and sisters are alive or where they live and cannot even exchange letters or telephone each other. We cannot talk about establishing trust and improving relations between South and North Korea by maintaining this kind of reality as it is. [applause]

In this open world, South and North Korea must guarantee free travel, communication, and trade which is a universal practice among all nations. Including the issues of political and military matters, and exchange and cooperation, South and North Korea must resolve all issues through dialogue and compromise and must promote practical relations.

Amid the new situation due to the simultaneous entry into the United Nations, we hope that at next month's fourth round of South-North high-level talks, this will be an opportunity for concluding basic agreements regarding South and North Korean relations.

Even though it is very limited, we treasure with importance the fact that recently we have started exchanges in economic, cultural, and sports fields with North Korea.

For mutual development between South and North Korea, we will make every effort to achieve relations of co-prosperity which help each other.

We are prepared to actively promote economic cooperation in the tourism business; jointly develop underground resources; and construct joint venture plants as well as carry out trade with North Korea.

During the past 1,300 years, we, the South and North, lived under one nation and one community.

If exchange and cooperation in various fields between South and North Korea is promoted, conditions for political integration based on the nation's strong regimentation will be fostered quickly.

The Korean peninsula cannot remain on this earth as the only divided land due to the cold war. Under the situation and in the world where all barriers that divide each other are pulled down, reunification on the Korean peninsula is the logical course of history, which is only a matter of time.

The reunified Korea will be a nation in which all the members of the nation will enjoy freedom and happiness and in which they will contribute to world peace and the welfare of mankind.

Mr. President. We hope that all regions of this world that are in dispute including the Korean peninsula will achieve peace as soon as possible.

We welcome the fact that efforts for peace are progressing in various regions of the world including the Middle East, Cambodia, Angola, Western Sahara, and Central America. I highly assess the fact that the United Nations is playing a leading role to achieve this, and especially, I express my respects for the devotion being made by Secretary General Perez de Cuellar.

Efforts must be made to prevent disputes and in dissolving its elements. Also, regarding the use of force, measures for collective security must be strengthened.

We confirmed through the Gulf incident that the United Nations is the only major force by which the domination of law can be restored in today's international society.

Countries that were under confrontation during the past were united, centered around the United Nations. This firmly gave us the confidence regarding the new order in which peace and justice is embodied.

Through the first collective security measure by the United Nations, the ROK was able to defend freedom and its existence. Therefore, the ROK will actively participate in the UN's efforts to realize justice in the international society and also in resolving disputes in a peaceful way.

Peace can be achieved on the faith that all nations do not threaten each other and that mankind can live peacefully. As long as mankind relies on the annihilating force that can destroy the whole world in a second for its security, it cannot have faith in peace.

Confrontation that has been trying to justify the balance of terror in this world has now disappeared. We praise the two countries of the United States and the Soviet Union for concluding the START Treaty in July, and hope that this will be a turning point in accelerating worldwide arms reduction.

Korea supports the complete elimination of chemical weapons and if an international agreement is concluded, we will join this agreement at an early stage.

I believe that the countries of Northeast Asia should now take a fresh look and approach toward the question of reducing tension and arms control in this region.

Mr. President. Peace does not simply mean a condition where there is no war. We must eliminate the source of disputes in this world.

I welcome the fact that a united and democratic society where there is no racial discrimination is emerging in South Africa. As mankind is overcoming the confrontation of ideology, we must pull down all barriers that discriminate persons according to one's complexion, nation, religion, and class.

Mr. President. The report by the North-South Committee said that there is no true peace where starvation is dominant. Our people who have experienced themselves the difficulties, understand and sympathize with the destitution and starvation which poor countries are experiencing, the problems of underdeveloped countries, and the problem of debt.

From the most poor nation, Korea became a forceful new industrial country in just one generation. Therefore, Korea is an exemplary nation showing that if poor developing countries make efforts, these countries are also able to join the ranks of advanced countries.

Thirty years ago, Kôrea's per capita GNP was under $100, a poor agricultural nation. However at this time Korea's volume of trade ranks 13th in the world and its per capita GNP ranks 15th in the world.

This kind of rapid development by Korea was achieved through a market economy and openness. Due to the diligent people and businesses that were overfilled with creativity, Korea was able to achieve development by making the world's vast market its arena and thus also accelerated this. The United Nations and many countries of the world helped us and became partners of co-prosperity.

As a country situated between advanced countries and developing countries, the ROK will play a positive role in solving the North-South problem, thus repaying the benefits that we have received from the world. The ROK will not only positively share our experiences and technology with the developing countries but also play the role of a bridge in exchanging capital and information, promoting trade, and promoting cooperation.

Advanced countries must positively extend assistance to the developing countries to alleviate difficulties facing them. However, this is not enough to fundamentally improve the North-South problem. Advanced countries must speedily restructure their industries, thus accelerating the horizontal division of labor among countries, and must refrain from monopolizing technology and information.

For the sake of the economic growth of the developing countries, the world's markets must be opened, trade must be expanded continuously, and protectionism and the formation of exclusive regional economic blocs must be avoided. All the countries of the world must more positively make efforts to fundamentally solve all of these problems centering around the United Nations and must also deal with environmental, terror, and drug problems and all the other challenges that the entire world is facing.

President: One century is ringing out, and another is ringing in. The 20th century yielded greater achievements than previous centuries combined. However, this also was a century during which mankind suffered enormous pains and trials from war, confrontation, contradictions, and unreasonableness. With the 21st century just around the corner, mankind is starting a new history based upon reason and peace. The world is overflowing with human dignity and value, freedom, and democracy as unstoppable waves of history.

A new era is opening up when countries respect each other and peacefully solve all the problems. Scientific and technological innovations and, in particular, the transportation, information, and communications revolution have turned the world into a global village where all the people, as neighbors, pursue co-prosperity.

Mankind has had an earnest desire since history began. This is to turn this turbulent world into a single peaceful community. This is not a dream but a task that we can carry out in reality. As partners of peace and co-prosperity, all the countries of the world must form a single community by opening up to each other and by expanding exchange and cooperation.

The United Nations will be able to play a central role in carrying out this task by implementing the spirit of its Charter. The ROK people are proud that, as a complete member of the world community, they have joined the ranks of realizing this common earnest desire of mankind. [applause]

We will not simply ask the world to understand our problems and to help us solve them: We will contribute to the welfare and interests of all the countries and peoples of the world. Renewing our determination to this organization of peace, we will march forward along the United Nations' road hand in hand with all the countries. Our ROK will take the lead in building tomorrow's more comfortable and happier world, most free world, and, above all, peaceful world, which will be a blessing to our posterity. Thank you. [applause]

Envoy Denies U.S. Having Contacts With North

SK2409013991 Seoul YONHAP in English 0104 GMT 24 Sep 91

[Text] New York, Sept. 23 (YONHAP)—The United States has told South Korea it has no intention of improving relations with North Korea unless North Korea acts as a responsible member of the international community, such as signing the Nuclear Safeguards Agreement of the International Atomic Energy Agency (IAEA).

The U.S. position is that Pyongyang's entry into the United Nations can be a condition for improving relations, South Korean Ambassador to the United States Hyon Hong-chu told YONHAP NEWS AGENCY in New York on Monday.

Commenting on a remark Saturday by North Korean First Vice Foreign Minister Kang Sok-chu that unofficial contacts were going on between North Korea and the United States to improve relations, Hyon said behind-the-scenes contacts had not taken place.

Asked if there was a possibility that the site of the contacts between Pyongyang and Washington would move from Beijing to New York, Hyon said it was the U.S. Government's consistent position that it would not accept contacts between U.N. missions unless North Korea unconditionally accepted nuclear inspection.

The United States has been stressing that North Korea should become a responsible member of the international society, Hyon said.

Vice Premier Urges N-S Nonaggression Pact

SK2509095791 Seoul YONHAP in English 0926 GMT 25 Sep 91

[Text] Seoul, Sept. 25 (OANA-YONHAP)—Vice Prime Minister Choe Ho-chong said Wednesday a non-aggression pact and peace accord were prerequisites for ending South-North confrontation and distrust.

"North Korea keeps to its one-Korea policy, which is another phrase for unification through communization of South," Choe told an international seminar at Kyungbok National University.

"I think South-North relations will assume a new facet in the near future owing to their simultaneous U.N. entry on Sept. 17," he said.

"Though some people say arms reduction is needed to improve South-North relations, military confidence-building is a more urgent task," Choe said, calling for the armistice to be shifted to a peace structure through a non-aggression pact.

"The basic frame of unification must be somewhat similar to an association between two systems within a single nation and it has to be done in peaceful and democratic ways under the Korean national community unification formula," he said.

Everyone should do their best to realize unification by the turn of the century, he told the seminar.

Government Wary of Japanese Role in UN Forces

SK2509063391 Seoul THE KOREA TIMES in English 25 Sep 91 p 2

[Text] New York—The government has called upon the Japanese government to be prudent in its plan to dispatch Self-Defense Force personnel overseas on United Nations peacekeeping operations.

Foreign Minister Yi Sang-ok expressed "deep concerns" over the plan when he met his Japanese counterpart Taro Nakayama at the Waldorf Astoria Hotel here Tuesday morning (KST), a Korean Foreign Ministry spokesman said.

The Korean government hopes that the Japanese government will deal with the plan to dispatch armed forces overseas in a careful manner, bearing in mind the worries of its neighboring countries, including Korea, which have had "tragic experiences."

Yi was referring to the Japanese colonial rule of Korea and other Asian countries.

Japanese Foreign Minister Nakayama, for his part, said that his government's plan to dispatch Self-Defense Forces on U.N. peacekeeping operations would not lead to Japan becoming a military power.

The Japanese participation in U.N. peacekeeping operations will be implemented under strict U.N. supervision, Nakayama was quoted as having told Yi.

The Japanese government submitted a bill to the Diet (parliament) last week which would pave the way for the dispatch of Self-Defense Force personnel overseas as part of U.N. peacekeeping operations.

Foreign Minister Yi also requested the Japanese government to stick to "five conditions" agreed on between Seoul and Tokyo for the normalization of diplomatic ties between North Korea and Japan.

The conditions include North Korea's signing of nuclear safeguards agreement with International Atomic Energy Agency (IAEA) and proceeding of meaningful dialogue between South and North Korea.

Nakayama reaffirmed the Japanese government's position that it would not seek the normalization of diplomatic ties with North Korea at the risk of its relations with South Korea.

In a related development, Nakayama paid a courtesy call on President No Tae-u at the Plaza Hotel. No is staying in New York to address a United Nations General Assembly session, following South Korea's admission to the U.N. on Sept. 17. Yi also attended the meeting.

Nakayama told President No that it is the Japanese government's solid position to promote normalizing ties with North Korea on the "absolute" two principles about nuclear questions.

Soviet Union Welcomes Korea's UN Membership

SK2509083191 Seoul YONHAP in English 0729 GMT 25 Sep 91

[Text] Seoul, Sept. 25 (OANA-YONHAP)—The Soviet Embassy in Seoul said Wednesday that Moscow welcomed South and North Korean entry into the United Nations and hoped their membership would reduce military and political confrontation on the Korean peninsula.

"The Soviet Union views the membership of both Korean states in the United Nations as a major step along the road of strengthening peace and security in Korea and Asia," the embassy statement said.

The two Koreas were simultaneously admitted to the United Nations as separate members Sept. 17.

"In present circumstances, when the role of the United Nations in settling regional disputes has considerably increased, it can be expected that a settlement in Korea can be achieved more easily and faster through interaction with the world community," the statement said.

"It can be expected that both Korean states will make practical steps to facilitate the accomplishment of tasks facing the United Nations by reducing the level of military-political confrontation on the (Korean) peninsula, adjusting relations with U.N. specialized agencies, including the international atomic energy agency, and developing mutual good-neighborly relations and cooperation as the basis of further rapprochement and reunification," it said.

PRC Applies for Landing Rights at Seoul

SK2509020091 Seoul YONHAP in English 0135 GMT 25 Sep 91

[Text] Seoul, Sept. 25 (YONHAP)—China is expected to ask South Korea again next month to permit a charter flight from Tianjin to land at Seoul's Kimpo International Airport, the Transportation Ministry said Wednesday.

The Civil Aviation Administration of China (CAAC) filed an application last week, but withdrew it when the ministry asked for a crew list, the nationalities of the passengers, the fares, the Korean agent's name and address, and other information.

The CAAC said it wanted an Air China B-767 carrying 200 passengers to land at Kimpo airport at 2:30 P.M. on Wednesday and fly back to Tianjin at 3:20 P.M. with 180 passengers via Cheju Island.

It was China's first contact with the South Korean Government on an aviation issue apart from two special occasions—the 1988 Seoul Olympics and 1990 Beijing Asian Games.

Beijing had insisted on negotiations between airline companies over inauguration of a Korea-China service.

Industry officials say CAAC's application for permission to make a landing in Seoul has brightened the hopes for a regular Korea- China service to begin this year.

Two rounds of bilateral aviation talks in Beijing collapsed this year as Korea called for a Seoul-Beijing route and China demanded a Shanghai-Seoul route.

Tariffs Blamed for Trade Deficit With PRC

SK2409044391 Seoul YONHAP in English 0235 GMT 24 Sep 91

[Text] Seoul, Sept. 24 (YONHAP)—South Korea's bulging trade deficit with former and current communist states is largely due to China's differential tariff policy, government sources said Tuesday.

Korea's January-July trade deficit with China was 1.278 billion U.S. dollars on a customs clearance basis, which compares with 1.048 billion dollars for all the world's current and former communist nations combined, including the Soviet Union, Eastern Europe, Mongolia, Vietnam and China.

China exported 1.836 billion dollars of goods to South Korea in the seven months and imported 559 million dollars worth.

Korea's trade deficit with the country swelled from 1.267 billion dollars in 1989 to 1.683 billion dollars in 1990.

Seoul plans to ask Beijing in trade negotiations to scrap its differential tariffs for countries with no diplomatic ties, which include South Korea.

South Korea registered trade deficits with the Soviet Union (109 millon dollars) and North Korea (89 million dollars), but they were far smaller than with China.

Korea had a trade surplus of 283 million dollars with Eastern Europe and 57 million dollars with Mongolia, Vietnam and other countries.

Exports to communist nations in the period were 1.282 billion dollars and imports 2.33 billion dollars.

Negotiations Held on Yongsan Embassy Housing

SK2509032991 Seoul THE KOREA ECONOMIC WEEKLY in English 23 Sep 91 p 2

[Text] The Korean government is reportedly negotiating with the U.S. on how to handle the U.S. Embassy housing compound which is currently located on the Yongsan U.S. military base.

A Korean government official said that the July 20 agreement between Korea and the U.S. on relocating Yongsan base to Osan and Pyongtaek covers only military facilities and related annexes.

Negotiations are under way between the Ministry of Foreign Affairs and the U.S. Embassy on what to do with the embassy facilities located on the South Post, Yongsan military base.

The U.S. Embassy argues that it owns the property which it is using in the Yongsan base while the Korean government said it has only the rights to use the land.

Of the total Yongsan base covering 970,000 pyong (one pyong equals 3.3 square meters), 80,000 pyong are currently used by the U.S. Embassy for housing of embassy officials, embassy club and other related buildings.

Clergyman Arrives in Pyongyang on Sanctioned Visit

SK2509041091 Seoul THE KOREA HERALD in English 25 Sep 91 p 3

[Text] Minister Kwak Son-hui of Somang Presbyterian Church in Seoul has become the first South Korean resident to make a private visit to North Korea.

A senior clergyman from Sinsa-tong, southern Seoul, 58-year-old Kwak arrived yesterday afternoon in Pyongyang on a flight from Beijing for a nine-day visit, the National Unification Board [NUB] said yesterday.

Kwak is scheduled to make a lecture at Pongsu Church in Pyongyang, known to be the only church in North Korea, and to meet with North Korean "Christian" leaders to discuss exchange of visits by Christians, said the board which authorized his visit.

He also plans to visit his hometown of Changyong in North Korea's southwestern province of Hwanghae-to, it said.

Kwak received a letter of invitation and a safety guarantee note last Thursday in the name of Ko Ki-chun, secretary-general of the North Korean Council of Churches and immediately submitted an application to the NUB for permission.

Kwak expressed his wish to visit North Korea to Ko last December through the World Council of Churches (WCC).

The South Korean government's permission to Kwak may signal its recently more flexible attitude toward the North.

Several South Korean religious leaders have previously sought the government's permission to make private visits to the North in recent years but their applications were rejected.

Article Views Joint Venture Investments in North

SK2509065191 Seoul THE KOREA ECONOMIC WEEKLY in English 23 Sep 91 p 23

[Article by Dr. Sin Ung-sik, senior partner of Kim, Sin, and Yu, entitled "Investment in North Korea: An Open Door?"]

[Text] Both South Korea and North Korea joined the United Nations. The seats in the world body would provide a turning-point for economic cooperation between South and North.

In 1984, North Korea first adopted the so called Joint Venture Law ("JVL") in order to attract foreign capital and technology. The JVL was supplemented in 1985 by the Enforcement Regulation of the JVL, the Joint Venture Company Income Tax Law ("JVCITL") and its Enforcement Regulation, and the Alien Income Tax Law ("AITL") and its Enforcement Regulation.

There are reportedly 110 cases of foreign investments in North Korea under progress. The fields which the joint ventures are encouraged to engage in include electronics and automation industries, metallurgy, extraction, machine manufacturing, chemicals, food processing, cloth-processing, daily commodity industries, construction, transportation and tourism. The joint ventures are required to import up-to-date scientific technologies in order to improve the quality of products and the ability to export. Until now, Korean residents in Japan were specially invited to participate in joint ventures. But sooner or later, Korean businessmen in the U.S. will be actively encouraged to pursue investment opportunities. The JVL enunciates in express terms a desire to encourage such overseas Korean investment into North Korea.

According to the JVL, the guiding principles controlling all joint ventures are equality and reciprocity. Foreign investors will be treated equally in tax and other matters in North Korea, and at the same time North Korean enterprises will be expected to be treated equally in the foreign countries. Foreign partners in joint ventures receive legal protection for both investment and income earned in North Korea. To receive such legal protection, the company must be operated according to the North Korean law.

To form a joint venture company, a foreign company and a domestic company are required to conclude a joint venture contract covering the organization and business operational methods of the joint venture. The joint venture contract must be approved by the Ministry of External Economic Affairs. The joint venture company must also register with the appropriate provincial people's committee by submitting the joint venture contract, the articles of incorporation and other required documents. With this registration, the joint venture gains the status of a judicial entity.

Like other communist countries, a local investor in North Korea should obtain the prior approval of the Ministry of External Economic Affairs before commencing negotiations. Accordingly, it is necessary to confirm whether the local partner obtained such approval. In North Korea, only a company or enterprise, but not an individual, is qualified as a local investor. The foreign investor, however, is not subject to such restriction.

A joint venture company in North Korea has the status of an independent judicial entity and is subject to limited liability. Unlike China (PRC), the so-called contractual joint venture is not allowed in North Korea.

The articles of incorporation adopted by the board of directors of the joint venture dictate the principles and procedures of the joint venture's business activities. They contain such information as the name and location of the company, the business purposes, the total capital investment and proportion of contributed capital investment by each party, duration of the joint venture, and other basic matters of the company.

Capital contribution to the joint venture may be made by cash or in kind. Invention rights and advanced technology can be contributed. If the capital contribution is made in kind, the contribution is evaluated by the parties to the joint venture, based on international market prices. The paid-in capital of the company has to be registered with provincial people's committee in which the company is incorporated.

Interestingly, once the invested capital of the joint venture is registered, no reduction is allowed. Only an increase of the capital can be arranged through the procedures for capital increase. Since all land is owned by the state, the joint venture has to lease the land, paying the rent to the state.

Unlike other communist countries, there is no statutory requirement that limits a foreign partner's equity ratio in the joint venture; accordingly, a 100 percent foreign owned subsidiary can be established.

The board of directors is the highest decision-making body of the joint venture. The shareholders' meeting does exist.

The board of directors consists of a number of directors agreed by the parties. On the board, there are a chairman and a vice chairman. A resolution of the board of directors can be adopted only by a unanimous vote. The company president, vice president and other executives are appointed by the board of directors to take care of the business operation of the company. Unlike the situation in China, a foreigner can be elected as a chairman or a president.

The joint venture will receive preferential treatment in securing raw materials and equipment required for the production of the products. However, such procurement in North Korea has to be carried out with the help of administrative agencies, and purchase prices for these materials are to be determined according to international market prices. The joint venture company may also import materials needed for production directly from outside North Korea. The company is exempt from customs duty in that event.

The joint venture company is in principle required to export its products abroad. In case of any domestic sales in North Korea, the sales have to be made only through the state trade organizations.

The joint venture company may directly export produced goods or may import materials needed for production, and there is no need for import and export licenses from the authorities.

The joint venture company may open foreign currency accounts and North Korean Won accounts with a Foreign Trade Bank of North Korea. All foreign currency income and expenses of a company are handled through the foreign currency accounts. The company may also open its foreign currency account with a bank in another country by agreement between the parties to the joint venture. The joint venture company is permitted without prior government approval to borrow foreign currency from either a domestic or foreign bank to finance its business operations. Income and expenses of the company incurred in foreign currency may be exchanged to North Korean Won pursuant to the currency exchange rates announced by the Foreign Trade Bank.

The joint venture company is required to settle accounts once a year. Distribution of profits can be made. A foreign partner can remit all profits to foreign countries without restriction. Unlike China, no tax is imposed on the remittance of profits abroad. Alien employees of the joint venture are permitted to remit up to 60 percent of their salary to foreign countries.

The joint venture company is required to set up a reserve fund by laying aside 5 percent of the annual net income, until the fund amount reaches 25 percent of the registered capital. The reserve fund is to be used to absorb the losses of the company. The fund may also be transferred to increase the registered capital pursuant to a resolution of the board of directors. Distributed profits can be reinvested in the company if the parties to a joint venture company agree to do so.

With the approval of the Ministry of Finance, the company may be exempted from income tax for three years from the time of commencement of business operation. Even after the three-year tax exemption expires, the income tax may further be exempted or reduced by submitting an application to the Ministry of Finance and obtaining an approval thereof.

Income tax on the joint venture is levied at a flat rate of 25 percent. The employee's individual income tax rate ranges from 5 percent to 30 percent. A flat tax rate of 20 percent is levied if the income is derived from royalties for invention rights and other technologies.

The recruitment and hiring of local labor must be handled exclusively through local labor agencies, but alien employees can be hired directly by the company. The company has to contribute social insurance fees of 7 percent of each employee's salary, while the contribution to be made by an employee is 1 percent of his earnings.

The joint venture company will be dissolved at the expiration of the duration period stipulated in the articles of incorporation. The company may also be dissolved at any time by a resolution of the board of directors if the company sustains losses for more than 5 years, if any party fails to perform its obligation under the joint venture contract, or if the company is unable to operate due to unavoidable circumstances.

Disputes arising from performance of the joint venture contract or operation of the joint venture company may first be resolved by means of conciliation. Any disputes which cannot be resolved by conciliation should then be settled by a court trial or by commercial arbitration. A court trial will be conducted in accordance with civil procedure, and commercial arbitration will be conducted in accordance with the arbitration procedures. Unlike China, North Korea allows commercial disputes to be submitted to an arbitration organization of a third country by agreement between the parties to the joint venture. North Korea has not yet endorsed the U.N. Convention on the Recognition and Enforcement of Foreign Arbitral Awards.

Conditions Cited for Students To Visit North

SK2509072691 Seoul YONHAP in English 0702 GMT 25 Sep 91

[Text] Seoul, Sept. 25 (YONHAP)—The South Korean Government will not let Konguk University students visit North Korea until political elements are removed from an agreement with their northern counterparts, a spokesman for the National Unification Board said Wednesday.

Eight representatives of Konguk and Kim Il-song Universities agreed Tuesday [23 September] on a program of reciprocal visits, including one by 116 Konguk students and professors Oct. 8-15.

"When the Konguk students asked for government permission for their contact with North Korean nationals, they said their visit to North Korea would be purely for academic research," said Pak Sang-chan, director-general of the Board's Exchange-Cooperation Bureau.

"But the agreement that they reached yesterday includes clauses with political coloring. Therefore, it violates the stated purpose of their contact with the North Koreans."

The government would not allow any visits until the students corrected the agreement, Pak said.

The clauses pinpointed by the government as problematic include agreements to hold a "grand debate" on reunification and to have the exchanges between the two schools supervised by "Pomchonghakyon," a yet-to-be-formed organization agreed upon radical students in the South and the North Korean authorities.

Ministry's Plan To Downsize Military Lauded

SK2509025591 Seoul THE KOREA HERALD in English 25 Sep 91 p 8

[Editorial: "Troop Cut in South"]

[Text] A plan being drafted by the Ministry of Defense for whittling down the size of South Korea's standing army over the coming years is highly imaginative and timely. If it is finalized and put into effect, the Seoul government will have taken great strides in the way of arms control for confidence building and tension reduction much touted but never practiced by its northern compatriots under the control of the Communist hierarchy in Pyongyang.

It has been disclosed this week that the government has on the drawing board a scheme for defense and strategic development calling for steady reduction of the regular troops to 1 percent of the population in and after 1995.

This would mean a significant cutback of our standing army to around half a million. The medium- and long-term military reform plan envisages expansion of the share of volunteers to substitute for the larger number of compulsory conscripts.

Both a compact size and professionalization of the armed forces based on voluntarism are in accord with the tide of the time in favor of arms control, economy, specialization and also liberalization. Another aspect of the proposal is for our defense planners to undertake such an independent and substantial arms cut without any conditions, in relation to the attitude of North Korea in particular.

The proposed scaling down of the reservists corps to 2 million can be productive since it will release many young veterans from the burden of extended reservist training to divert more time to their normal economic and occupational activity.

Further refinement is needed for the troop reorganization plan to make our defense establishment size up with the needs of the time without undermining the basic defense capability of the nation. Reinforcement of the naval and air power to make up for the loss of foot soldiers is a natural offshoot.

Statistics on Student, Worker Demonstrations

SK2509062691 Seoul YONHAP in English 0502 GMT 25 Sep 91

[Text] Seoul, Sept. 25 (YONHAP)—Demonstrations have declined in number but grown in size and ferocity this year, the National Police Administration told the National Assembly Wednesday.

The 4,623 demonstrations between January and August represent a 29-percent decrease from the same period last year, but police estimate 1.93 million people took part, a 56-percent increase.

Campus demonstrations accounted for nearly half of the protests at 2,301. Street rallies numbered 597, worksite protests 423 and other demonstrations 1,302, according to the report.

Some 351,200 firebombs were thrown, 43 percent more than in the same period last year, and police unleashed 230,900 tear gas canisters, a 37-percent increase.

Demonstrators resorted to more roadblocks, up 193 percent, and vehicles were destroyed in 87 protests, a 23-percent increase, the report said.

Police said 907 people were under arrest for illegal protests at the end of August, 429 of them for throwing firebombs, 161 for violating laws on labor strikes, 149 for breaking regulations on public assembly and 130 for violence. Police arrested 1,548 people last year, slightly less than the 1,670 the year before.

Burma

Editorial Denounces 'Brutal Act' by Terrorists

BK2509042091 Rangoon Radio Burma in Burmese 0140 GMT 25 Sep 91

[Editorial from the program press review of LOKTHA PYEITHU NEZIN 25 September entitled: "A Brutal Act by Terrorists"]

[Text] Speaking at an inauguration ceremony for the Hopin-Galaingchaung Hydroelectric Power Station on 7 September in Mohnyin, Kachin State, Major General Khin Nyunt, secretary-1 of the State Law and Order Restoration Council [SLORC], said that it is necessary for the people to realize the need to cooperate dutifully with the Defense Services to annihilate the terrorist insurgents as the people were the main force. Besides, the terrorists would not be able to survive if the people cooperated with the Defense Services.

Those referred to as terrorist insurgents by SLORC Secretary-1 Maj. Gen. Khin Nyunt are the Kachin Independence Army, the Karen National Union [KNU], and the All Burma Students Democratic Front [ABSD]. These terrorist insurgents uphold a narrow racist policy, are terrorizing and causing hardship to the people, and are engaged in all kinds of destructive activities.

A bomb explosion occurred in the evening of 23 September in front of the Thamada Theater on Alanpya Phaya Road in Rangoon. It was reported that the explosion occurred after a package was dropped from a yellow Datsun pick-up truck which was driving along Alanpya Phaya Road toward the city center. The explosion injured seven innocent persons and caused three women to faint. Furthermore, two drivers of slow-moving vehicles waiting for passengers from a movie show were injured by shrapnel. This brutal act by terrorists is despicable and heinous.

It is reported that the bomb used by the terrorists is believed to have been a U.S.-made hand grenade, the kind usually used by the KNU insurgents.

The people, together with the Defense Services, must strive to annihilate these terrorists who, like narcotic drugs, serve no good purpose. It is hoped that the terrorist insurgents responsible for the bomb explosion in front of the Thamada Theater will be exposed soon with cooperation from the dutiful public.

Singapore

UK Minister Reaffirms Commitment to Region

BK2409145391 Singapore Singapore Broadcasting Corporation in English 1400 GMT 24 Sep 91

[Text] Britain has reaffirmed its long-term commitment to the Five-Power Defense Arrangement [FPDA]. The visiting British defense secretary, Mr. Tom King, says the commitment is not linked to its presence in Hong Kong. He assured Singapore leaders that the FPDA has relevance now as well as after 1997 when Hong Kong is returned to China. Mr. King says the FPDA, which involves Britain, Australia, New Zealand, Malaysia, and Singapore, is an insurance policy.

On the possibility of expanding the defense arrangement to include Brunei, Mr. King says it is for Singapore and Malaysia to see how the FPDA should develop. He said having a wider security arrangement in the region does not in any way conflict with the FPDA as an insurance policy. He said his current visit to the region, [words indistinct] significant developments in other parts of the world [words indistinct] importance Britain attaches to this region. While there are no imminent dangers to countries the region, Mr. King said (?potential conflicts) could arise. He cited the claims made to the Spratly Islands as an example of a possible problem area.

Mr. King, who was here on a three-day visit as part of his tour of the region, left for Brunei this afternoon.

Cambodia

'Groundless' Report on Demobilizations Rejected

BK2409052891 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 0430 GMT 24 Sep 91

[Text] On 21 September 1991, the BBC carried a report saying that Mr. Hun Sen, chairman of the State of Cambodia [SOC]'s Council of Ministers, had proposed the 100-percent demobilization of all Cambodian factions' armed forces.

The SPK has been authorized to reject this groundless report concerning the SOC's stance.

The military question related to the demobilization and gathering of the armed forces has already been resolved at the Supreme National Council meeting held in Phatthaya from 26 to 29 August.

In New York, Mr. Hun Sen clearly stated that he agreed to completely dissolve the militia unit, which is a self-defense force and is not included in the 70-percent demobilization plan.

This is another important concession made by the SOC Government in order to advance toward a comprehensive political solution to the Cambodian problem.

Heng Samrin Greetings on New Academic Year

BK2409061291 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 2300 GMT 23 Sep 91

["Text of a message from Comrade Heng Samrin, general secretary of the Kampuchean People's Revolutionary Party and chairman of the Council of State of the State of Cambodia, joyfully greeting the compatriots, teachers, and students on the beginning of the 13th academic year 1991-92, which falls on 24 September 1991"—recorded]

[Text] Venerable monks, dear compatriots, and beloved teachers, students, and pupils:

Today, I am very happy to join with all compatriots, teachers, and students throughout the country in marking the beginning of the 13th academic year 1991-92.

During the past nearly 13 years, our educational sector has developed vigorously, thus contributing to the enhancement of the international prestige of the State of Cambodia. All the great achievements and changes made by the educational sector clearly attest to the firm spirit of patriotism, perseverance, sense of mastery and self-reliance displayed by all teachers, students, people, compatriots, and authorities at all levels in conjunction with the assistance and aid given by friendly countries, various international humanitarian organizations, and our compatriots living abroad.

The achievements we have made in the educational field constitute one of the most valuable assets for the development of our nation.

On behalf of the party and government and in my own name, I sincerely admire this outstanding exploit, which is a great source of pride for our nation.

Dear students, the new school year has come. All of you children should get ready to listen to the advice of the teachers, study hard, abide by the discipline, and strive to turn yourselves into good children, good students, good friends, and active combatants who are diligent in their studies and who persevere in their production drive. You must be diligent in joining school activities. Particularly, you must enhance your enthusiasm for self-teaching and a sense of mutual assistance in order to turn yourselves into clever students, good children, and good friends, thus rendering yourselves worthy of being the successors in building our nation and making it prosper.

Dear teachers, I would like to commend all of you for the achievements made through your teaching efforts over the past nearly 13 years by mobilizing all your might and main and wisdom and striving to overcome all difficulties until achieving this honorable result.

I hope that all you teachers will continue striving to enhance your perseverance and capability in order to turn this 1991-92 academic year into the year for enhancing educational qualities and turning schools into technological and scientific centers for implanting enthusiasm for work and consolidating unity and harmony, as well as a source for providing the energy for developing the national society and the economy.

Venerable monks and dear compatriots, I am very glad to see that all venerable monks and compatriots have actively participated in the work to enhance our educational work. I am convinced that all of you will certainly continue to join in building schools and other establishments, and that in particular you will exhort your children to study hard, create favorable conditions for them to have sufficient time for study, and forge closer links with the school in your contribution to the work of education.

Availing myself of this occasion, I would like to call on all authorities and mass organizations at all levels to continue to vigorously contribute your physical and mental efforts and wisdom to enhancing our educational work in order to realize the measures set forth at the recent national conference on education for all.

I would like also to appeal to all countries and international humanitarian organizations to kindly give assistance to the Cambodian people in the process of upgrading the fundamental educational system to the same level as in the present developing countries in this region.

In conclusion, on behalf of the party and government, I would like to extend best wishes to all monks, teachers, children, students, and compatriots. May all of you enjoy good health, powerful strength, wisdom, and successes in all your tasks, particularly in fulfilling the educational targets for this 1991-92 academic year.

Chea Sim Receives Mother Teresa of India

BK2409131691 Phnom Penh SPK in English
1114 GMT 24 Sep 91

[Text] Phnom Penh SPK September 24—National Assembly Chairman Chea Sim received here last Saturday Mother Teresa, head of the mission of charities based in Calcutta, India.

Mother Teresa arrived here on Sept. 17 for a visit as guest of the chairman of the Council of Ministers. Chairman Chea Sim warmly welcomed Mother Teresa's visit which was aimed at finding out possibilities of [words indistinct] orphans, disabled and widows in Cambodia.

Cambodia has been through wars for more than 20 years that left many orphans, disabled and widows, Chairman Chea Sim said.

He also told his guest of the consequences of the recent rain flood in Cambodia which destroyed more than 100,000 ha of rice and left thousands of Cambodians [words indistinct] need of [words indistinct] the international humanitarian organizations for their timely relief assistance to the Cambodian flood victims.

Chairman Chea Sim said he hoped the mission of charities would donate some relief aid to the Cambodian flood victims [words indistinct] party and state for their [words indistinct] victims.

Government, Resistance Clashes Halt Aid Shipments

BK2509072091 (Clandestine) Voice of the Khmer in Cambodian 0430 GMT 25 Sep 91

[Text] The United Nations has temporarily suspended the transport of relief aid to Cambodia due to attacks by Heng Samrin troops against resistance forces in northwest Cambodia.

An official of the World Food Program [WFP] yesterday said the relief aid transported from Thailand to Cambodia to assist Cambodian flood victims was suspended on Saturday after troops of the Heng Samrin regime renewed attacks against the resistance forces at the end of last week. This official said the WFP has temporarily suspended the transport of relief aid to help the Cambodian people and will resume this when attacks have died down. This official said he expects that the transport of relief aid will resume early next week.

The Khmer People's National Liberation Front [KPNLF] say that troops of the Heng Samrin regime attacked the KPNLF forces along National Route 5 last Friday [20 September] and that the Heng Samrin troops continued to fire artillery shells on positions of the KPNLF forces until the end of the week.

Radio Urges Unity Around Sihanouk-Led SNC

BK2509092191 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 24 Sep 91

["Roundup of the outcome of talks to end the vietnamese war of aggression against Cambodia"]

[Text] The Vietnamese war of aggression against Cambodia, which is still continuing, started with the use of hundreds of thousands of Vietnamese aggressor troops to attack and invade Democratic Kampuchea on 25 December 1979. The war has been a sustained military, political, diplomatic, psychological, open, and dark war in which the enemies have employed all manner of appearances and maneuvers. It is also a war in which the Vietnamese aggressors have ruthlessly devastated Cambodia and the Cambodian nation, killing and wounding Cambodian people, and causing them to be separated from each other in the most miserable manner. It has also ruined the property of the nation and people—including their villages, lands, forests, fish, cattle, temples, gold, silver, and statuettes in gold, silver, or bronze at various monasteries throughout the country.

The struggle carried out for nearly 13 years by the Cambodian nation and people—as well as the world, in its desire for peace and justice—has been arduous and tenacious. Up to September 1991, following several unfruitful negotiations and the four successful meetings—namely the first Phatthaya meeting in June, the Beijing meeting in July, the second Phatthaya meeting in August, and the New York meeting in September 1991—, we are able to summarize the significance of the successful negotiations to settle the Cambodian problem as follows:

First significant point: A Supreme National Council [SNC] has been set up under the chairmanship of Samdech Norodom Sihanouk. The SNC is Cambodia's sole legitimate state organ recognized inside the country, in the international arena, and by the United Nations;

Second significant point: A UN force made up of military and civilian personnel will be dispatched to Cambodia from early September 1991 onward;

Third significant point: The SNC headed by Samdech Norodom Sihanouk and the UN force have the duty to control and supervise the withdrawal of all Vietnamese aggressor forces from Cambodia;

Fourth significant point: The SNC and the UN force will oversee the warring Cambodian parties' armed forces. This is aimed at completely dismantling the armed forces to ensure the neutrality and stability in Cambodia; and

Fifth significant point: The SNC and the UN force will jointly organize elections to choose a democratic assembly in Cambodia.

With the five enumerated points, which represent achievements of enormous significance:

1. Our Cambodian nation has been officially and solemnly liberated in the international arena;

2. Our Cambodian nation, people, and race have survived. They will not die as did Kampuchea Kraom in Vietnam's Indochinese federation;

3. Our Cambodian nation and people will organize elections to choose a constituent assembly, a legislative assembly, and a new national government to administer our Cambodian nation within the framework of privatized and parliamentary regime with a multiparty and liberal economic system; and

4. We have liberated and restored independence to our nation.

The results have also created favorable conditions for us to achieve national reconciliation, compromise, unity, and great national union within the framework of the SNC headed by Samdech Norodom Sihanouk. This represents the restoration of genuine independence, peace, and sovereignty to our nation within its territorial integrity.

These great results are of historic significance for our Cambodian nation, people, and race. However, the implementation of the points agreed on, which remain considerably complicated and volatile, needs a national unity that will become a great national union force within the SNC framework.

Observations:

1. The aforementioned results are the result of the struggle conducted by the entire Cambodian nation and people in the most courageous, brave, assiduous, and tenacious manner, unprecedented in the new history of our Cambodian nation and people. They represent historic achievements with which our Cambodian nation and people can prevent present-day Cambodia from becoming another Kampuchea Kraom. This means that we have been able to defend our nation, preserving the survival of our people and race.

This is not a commonplace, minor matter. The 13-year Vietnamese war of aggression has ruined the nation and people, causing the people to lose their lives and property, wounding and disabling them, and separating them from their spouses, parents, children, and relatives. Our nation and people have already seen, been involved in, and taken note of, the systematic devastation that has cost their own blood. They have witnessed and recorded the events themselves. Therefore, the results are great historic achievements that all of us, and our children of the generations to come, will remember forever. And with these results, we will continue to preserve the traditional love for our nation, people, and race, thereby defending the survival of the nation, people, and race forever.

2. Although the results can be seen as great historic achievements, as yet they remain law only on paper. As for the concrete application, it will certainly be difficult and complicated because the enemies never want our nation to recover independence, peace, and sovereignty within its territorial integrity. They have always striven to interfere by splitting up our people and pitting them against each other—as in Lebanon—for the purpose of destroying our harmony, then swallowing our Cambodian nation and people once and for all.

On this issue, we have already had deep experience with the survival of our nation and the lives of our people. Therefore, the duty of all of us—Cambodians both inside and outside the country—is to stand firmly on the great national union policy and the policy of national reconciliation, compromise, and unity without making any discrimination against white, black, blue, or red. We should avoid affecting the nation and people and the great national union, and we should not, under any circumstances, act under the enemies' influence. We should clearly realize that we are a small and weak nation, so the enemies always want to work against the interests of our nation and people to the maximum. It is conspicuous that they have not come to help us regain independence, peace, sovereignty within our territorial integrity. As such, we should, at all times, stand resolutely on the great national union policy and the policy of national reconciliation and unity under the leadership of Samdech Norodom Sihanouk.

Indonesia

Suharto Addresses Asia-Pacific Regional Meeting

BK2309110891 Jakarta ANTARA in English 0927 GMT 23 Sep 91

[Text] Jakarta, Sept. 23 (ANTARA-ECOANA)—President Suharto on Monday opened an Asia-Pacific regional meeting here voicing Indonesia's concern over the establishment of economic blocs in various regions of the world.

True, basic changes have been occurring on the international scene, among them the relaxation of the Cold War and the lessening of political conflicts between states, he admitted.

"However, the bright situation that has been created can still turn back to gloom, if fresh competitions arise in other fields. In fact, a trend toward new competitions has already appeared with the establishment of new economic blocs among nations," he regretted.

He made these statements at the opening of an Asia-Pacific regional conference of the International Social Security Association (ISSA), which was hosted in the Indonesian capital by Astek Co. Ltd., the state-run workers' insurance corporation.

If the growth of the economic blocs leads to confrontation between nations, the international community will have a new problem, that of stiff competitions, he warned.

The world will only enter a brighter situation only if the economic blocs can work on the policy of mutual support, he said.

Such a condition should put the developing nations under an obligation to pay greater attention to the world's economic situation, the president said.

On workers' social security in general, President Suharto noted that the government in Indonesia was continuing to work to bring protection and well-being to the nation's workers.

Workers' social security in Indonesia, he said, is built on the principles that the young should help the old, and the healthy the sick, while those with higher income should assist the less fortunate.

Furthermore, national development works will call for much funds. One option for the provision of the funds is the mobilization of social security contributions from workers, said the head of state.

Thus the expansion of the workers' social security system will also push economic development, he added.

ISSA, set up in Brussels, Belgium, in 1927, groups under one organization 311 workers social security institutions based in 124 countries.

The Asia-Pacific regional conference in Jakarta is being attended by 152 delegates from 28 countries.

Trade Minister Reports Results of PRC Visit

BK2409113291 Jakarta ANTARA in English 0943 GMT 23 Sep 91

[Text] Jakarta, Sept 24 (OANA-ANTARA)—Indonesia and the People's Republic of China are scheduled to sign an accord on double tax avoidance, which is expected to boost businesses to invest their capital both in Indonesia and China, Trade Minister Arifin Siregar disclosed here Tuesday.

Speaking to newsmen after meeting President Suharto at Bina Graha presidential office to report his recent visit to China, Siregar hoped that agreement could be signed in the near future as there were no more problems hampering the signing of such an accord.

He further said that officials of the two countries would in the near future initial two other accords on sea transport and investment security.

Siregar also said that trade and economic relations between Jakarta and Beijing would be further stepped up mainly after China had introduced an open door policy to foreign investors.

Concerning trade balance between the two countries, Siregar said that so far Indonesia enjoyed a surplus lately if it was seen from the point of Jakarta-Beijing direct trade. However, he went on, Indonesia suffered a deficit in the trade through third countries was also accounted to.

In 1986, the Indonesian direct export to China was valued at 139 million U.S. dollars. The figure rose to 834 million U.S. dollars in 1990.

The trade between Indonesia and China through the third countries in 1986 reached 195 million U.S. dollars and the figure increased to more than one billion U.S. dollars in 1990.

The country's direct import from China in 1986 was recorded at 337.1 million U.S. dollars and rose to 652 million U.S. dollars in 1990. However, the country's indirect import from China in 1986 was registered at 577 million U.S. dollars and increased to 1.077 billion U.S. dollars in 1990, causing Jakarta suffer a deficit of 39.3 million U.S. dollars.

One of positive results of his recent trip to China, Siregar said, was the signing of several trade contracts and investments worth about one billion U.S. dollars.

During his visit to China, Minister Siregar was accompanied by Director General of Foreign Trade Kamarulzaman Algamar and Director General of Immigration Rony Sikap Sinuraya.

According to Siregar, the biggest investment contract signed during the visit was for the construction of a pulp plant in West Kalimantan by Kalimantan Selaras Co. Ltd., a joint venture company between Indonesian and Chinese investors.

To the head of state, Minister Siregar also reported the planned visit of a Vietnamese economic delegation to Indonesia to discuss trade and economic cooperation between the two nations.

Minister Siregar said that Vietnam had expressed its eagerness to buy Indonesian goods by using short-term and low interest credit facilities.

The minister also reported to the president the planned meeting of the ASEAN ministers of economy due to take place in Kuala Lumpur, Malaysia, from 7 to 9 October. The Kuala Lumpur meeting, he said, will discuss a Thai proposal for the setting up of a free trade zone and a Malaysian proposal for the establishment of the East Asian Economic Group (EAEG).

The results of the Kuala Lumpur meeting would be submitted as inputs for the ASEAN summit in Singapore next year.

Minister Expects Oil Price Decrease in 1992

BK2309085691 Jakarta ANTARA in English 0824 GMT 23 Sep 91

[Text] Jakarta, Sept 23 (ANTARA-ECOANA)—Minister of Mines and Energy Ginanjar Kartasasmita has said that the oil price was feared to decrease in the second and third quarters of 1992 due to decreasing demand and oversupply of oil in the world market.

Speaking to newsmen upon his arrival in Dili, capital city of East Timor, from Wetar island in southeast Maluku, where he just visited a gold mine there, the minister further said that Iraq and Kuwait would by next year pump their oil again, while the Saudi current production had reached about 3.0 million barrels per day, exceeding its oil quota production set by OPEC.

Iraq, for the time being, is authorised to export about 300,000 to 400,000 barrels of oil per day to buy foods and medicines after the United Nations relaxed its economic embargo against Baghdad. On the other hand, Kuwait has also started its oil export again by about 300,000 barrels per day. Minister Ginanjar said that in anticipation of winter in Europe and North America, the price of OPEC's crude for the fourth quarter of 1991 was expected to increase, so the government's oil bench price for the state budget, set at US $19 per barrel, could be reached.

Concerning his planned trip to Geneva to attend bilateral meetings among OPEC member countries next week, the minister said that Indonesia would propose an increased production for the fourth quarter of this year.

The Geneva meeting will also discuss possible oil price adjustment for the fourth quarter of 1991 as the oil demand is expected to increase during this winter, he added.

The meeting is also intended to make preparations for the OPEC oil conference scheduled in Oslo, capital of Norway, next November.

Laos

SPA Statement on Implementation of Constitution

BK2509075491 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 25 Sep 91

[Statement issued on 18 September by the Supreme People's Assembly Standing Committee to provincial governors and municipal mayors on organizing the implementation of the Constitution of the Lao People's Democratic Republic]

[Text] On 15 September 1991, the sixth session of the Second Supreme People's Assembly [SPA] endorsed the Constitution of the Lao People's Democratic Republic [LPDR], which was officially promulgated by Decree No. 55/PTPT of the president of the LPDR dated 15 September 1991. As of now, it can be said that the Second SPA, acting as the drafting committee for the Constitution and the local people's councils, has fundamentally fulfilled its duty.

Since the promulgation of the Constitution, we have switched the management of state and society through resolutions and instructions to the Constitution and laws. This is an important new turning point in organizing the management of society in our country.

The promulgation of the Constitution constituted an important event. But organizing the implementation of the Constitution, thus translating it into the life and practical deeds of all Lao citizens, is even more important several times over. This is because this act will become a decisive factor in the quality and effectiveness of the management of state and society by laws. However, organizing the implementation of the Constitution must be done step by step in close connection with efforts to upgrade the multiethnic people's political consciousness and the building of the people's democratic regime without haste and subjectivity.

In the immediate future, we must launch a campaign to organize study sessions in various forms among the entire party, state, and people to allow them to profoundly appreciate the contents of the Constitution. After that we can make preparations to hold the election for the Third National Assembly, aimed at fully organizing implementation of the Constitution step by step. As for organizing the study of the Constitution, separate instructions with specific details will be issued later.

Henceforth until the date of the election of the Third National Assembly, the SPA Standing Committee would like to give the following recommendations on the activities of the people's councils, the administrative committees, and people's courts at the local levels:

1. The people's councils at the provincial, municipal, and district levels are advised to continue their functions and duties as usual until the date of the election of the Third National Assembly. By then, the tenure of the present local people's councils will be officially terminated.

2. The provincial, municipal, and district administrative committees which have been established by the provincial-level people's councils will be retained. But in the immediate future, the chairmen and vice chairmen of the provincial, municipal, and district administrative committees are to be respectively called provincial governors, mayors, and district chiefs as well as deputy provincial governors, deputy mayors, and deputy district chiefs. As for the administrative committees, their names are to remain the same. After the election of the Third National Assembly and following the functioning of this new National Assembly, the system of provincial governors, municipal mayors, and district chiefs will be implemented in its entirety in accordance with the Constitution.

3. The people's courts at the provincial, municipal, and district levels elected by the people's councils at each level can continue their functions and duties until the Standing Committee of the National Assembly appoints the new people's courts, after which the tenure of the old people's courts will end.

4. As for the national emblem, the Constitution has defined a new national emblem for the country in Article 76. However, in the immediate future, the old national emblem will continue to be used until the new national emblem is available. By then, the old national emblem will be cancelled.

All the provinces and municipalities are advised to make direct contact with the office of the Council of Ministers regarding this matter.

New District Established in Khammouane Province

BK2509031491 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 24 Sep 91

[Text] According to a report from the Khammouane Provincial Administration, the provincial administration is now concentrating on making preparations for the establishment of a new district in the main area of Se Bangfai. The new district will embrace more than 17,000 people from the Nongbok and Mahasai Districts and will comprise six cantons and 49 villages.

Following more than two months of the preparations, the committee in charge of establishing the new district has completed consolidating the organizational apparatuses. These consist of 12 branches of service, namely the administrative service, the economic and financial service, the industrial and trade service, the military service, the police service, the educational service, the public health service, the agricultural service, the propaganda and cultural service, the transport and postal service, the social welfare service, and the mass organization service. At present, the committee has completed making arrangements for the location and chart of the district municipality.

This new district covers some 3,700 hectares of land for cultivation.

Philippines

Timing, Results of U.S. Withdrawal Discussed

HK2409044591 Manila THE CHRONICLE in English 24 Sep 91 pp 1, 6

[By Lito Zulueta and Johanna Son]

[Text] Malacanang and the Senate appeared yesterday to have arrived at a formula to allow the U.S. military facilities here from three to five more years to conduct a "progressive" pullout.

The formula started to take shape shortly after President Aquino met with two anti-treaty senators—Rene Saguisag and Orlando Mercado—to prod the chamber into coming up with a "reasonable" withdrawal arrangement for the U.S. following the Senate rejection of the new base accord last Sept. 16.

Saguisag and Mercado told Malacanang reporters they had the impression that the President wanted to get over the bases issue while easing the plight of the people of Central Luzon now suffering from the Mt. Pinatubo eruptions and who would be immediately affected by the pullout.

This developed as negotiations began between the pro- and anti-base senators for some consensus on a "reasonable" withdrawal period even as Sen. Juan Ponce Enrile warned of the instability caused by the U.S. stay on Subic Naval Base without any legal accord.

Anti-base senators met in a caucus at past 5 p.m. yesterday to try to come up with a common stand on two pullout resolutions filed by Saguisag and Sen. Jose Lina.

"We will try to consolidate our positions," Senate Majority Leader Teofisto Guingona said.

In their talk with Malacanang reporters, both Saguisag and Mercado said the President had apparently acknowledge the treaty's defeat at the Senate.

Mercado said Mrs. Aquino had asked the Senate to come up with "creative means" to cope with the "post-rejection" situation.

The President earlier said she was open to a Senate proposal, filed by pro-treaty senators, providing for a seven-year phaseout of Subic base.

But the President, according to Mercado and Saguisag, did not give a ballpark figure on the pullout period during their talk and merely asked the Senate to forge a consensus on the matter.

"The President has expressed her concern that we put the bases issue behind us, come up with creative ways by which we can mitigate the pains and sufferings of our people in Central Luzon, and, at the same time, retain our friendship with the U.S. while upholding the basic decision by the Senate of rejecting the treaty which is already a done thing," Mercado said.

While Mercado said the formula that might shape up is "three to seven years thereabouts," Saguisag was more realistic.

Saguisag said a transition period of six to seven years would not get the support of the antis.

He added five years is "unlikely but not totally hopeless," while three years is "likely."

He explained a corporation folding up would need two to three years to do its inventory and then close down.

Moreover, Saguisag cited the Senate testimony of Delfin Lazaro, head of the special operations team on the conversion of U.S. facilities, that they need three to five years to implement the initial phase of the program.

Mrs. Aquino herself indicated she was accepting the treaty's rejection as she acknowledged that the government was considering plans to serve the U.S. anew a notice of termination for the bases.

The government had withdrawn the notice it had served to the U.S. when the bases negotiations started in May last year.

The withdrawal of the notice of termination effectively invoked the 1966 Ramos-Rusk Agreement, which gives the U.S. one more year to stay as it prepares for the pullout.

In a statement, the President said: "A decision on the issue of sending a new notice of termination will be made in due time."

In the Senate, the anti-base group appears to be split over Saguisag's resolution, which envisions a maximum three-year pullout period.

Saguisag himself told Senate President Jovito Salonga during their caucus yesterday afternoon that he could accept a two-year withdrawal period, since the antis apparently wanted as short a pullout time frame as possible.

Senators Joseph Estrada, Wigberto Tanada and Enrile have opposed a three-year time frame, saying it was tantamount to an extension to flout the Senate's rejection vote on Sept. 16.

"I hope negotiations na ito, hindi na bakbakan," Sen. Leticia Shahani commented "We (two blocs) are really quite similar; we're looking for an orderly withdrawal."

Shahani added the pros wanted to see "what is the support (by the antis) for the Saguisag resolution."

When the antis firm up their negotiating position, Guingona said the bloc would meet with their pro-treaty counterparts this week and work out a compromise.

When the chamber forges a common position, senators would meet with President Aquino to coordinate the withdrawal scenario with Malacanang.

The Senate consensus would be contained in a sense of the Senate resolution addressed to the Executive, and the Palace would then sound out the Americans on the length and terms of the withdrawal period.

However, Enrile warned in a press conference that the government was in a dangerous situation because "there is no law or agreement governing the relationship with respect to the operation of the U.S. bases."

His statements indicated he would not support either the Saguisag or Lina resolution. "For me an arrangement beyond one year, no matter how you call it is still an extension, and you need a treaty for that," he said.

This is because both the base agreement and the Mutual Defense Treaty envision one-year withdrawal periods, he added.

The Aquino government has invoked the Ramos-Rusk accord as legal basis for the U.S. stay in the meantime. But Enrile argued that since the Ramos-Rusk accord is part of the 1947 Military Bases Agreement, it has also been terminated by the Constitution, so that rights and privileges of the U.S. have been withdrawn.

"Their presence here is outside any international agreement. They're here at the sufferance of the Filipino people, or at worst as an occupying power," he said.

Strictly speaking, he said, all the U.S. tax exemptions, immunity from criminal jurisdiction are gone and all laws of the Philippines should operate within the bases.

"If someone should be injured or killed in those bases now by U.S. soldiers, the criminal jurisdiction (provisions) of the 1947 agreement will no longer be applicable. It will be the Revised Penal Code," Enrile added.

Shahani countered, however, that the seven-year withdrawal period "is not an extension. It is withdrawal, that's why there's no compensation."

Enrile urged Mrs. Aquino to call to a meeting leaders of all political parties, the Senate and the House to work out a solution.

"The only thing left is the withdrawal of the Americans from this country, pending renegotiation of understanding or whatever. Because otherwise our officials would be acting in violation of the Constitution," he said.

At the same time, Lina said three years for the phaseout of Subic "is too tight and too short a time" for the effective implementation of conversion programs and alternative plans for the rehabilitation of Pinatubo-affected provinces in Central Luzon.

In a press statement, Lina said: "We have yet to see concrete and viable plans to ease the hardships of the people of Central Luzon and minimize the impact of the Subic base dismantling on the thousands of workers and their families.

"How can we uplift the plight of our suffering countrymen in less than three years?"

Meanwhile, Vice President Salvador Laurel warned that a referendum on the bases issue could be used by Mrs Aquino as a "smokescreen" for the administration's ills.

He also said that Mrs. Aquino could use the information campaign for the referendum to provide "advantageous" exposure for administration candidates.

Saguisag on Seven-Year Withdrawal

HK2409041991 Quezon City MALAYA in English 24 Sep 91 pp 1, 3

[By Marie Rose Feliciano]

[Text] Sen. Rene Saguisag (LP) [Liberal Party] yesterday said the proposal for a seven-year withdrawal period made by pro-treaty senators is "out of the question."

He said a Senate consensus is emerging on a withdrawal period of three to five years.

Saguisag said some anti-treaty senators might even push for a period shorter, including Senate President Jovito Salonga (LP) who favors a two-year withdrawal period.

Saguisag said a five-year period is unlikely but not impossible.

Saguisag together with Sen. Orlando Mercado (LP) met with the President yesterday.

Mercado said: "She did not mention any specific (position), she just told us to find ways and means by which we can meet at a particular period and satisfy the needs of the majority with regards to this particular period that we're talking about."

But in a statement, Mrs. Aquino said she is considering the proposal of Sen. Jose D. Lina Jr. (LDP) [Struggle of the Filipino Democrats] for a seven-year withdrawal.

Saguisag said Mrs. Aquino asked them to arrive at a compromise with the pro-treaty camp in the Senate.

He also said they agreed with Mrs. Aquino on the formation of an oversight committee which will oversee the withdrawal of the U.S. forces.

Saguisag said Mrs. Aquino told them some sectors have been asking why the anti-treaty senators are not seeking compensation during the withdrawal period.

Saguisag said he wants to remove the impression that the Philippine government is run by "cash-register" diplomats and to counter the U.S. slogan of "no treaty, no money."

"Kung ibigay (aid), eh 'di [If they give, then] thank you," Saguisag said.

Mercado said the Philippines might ask for a compensation package if the U.S. will stay at "a longer period."

"My personal bias is for no compensation as a gesture of friendship to the Americans. I think we will be able to recover that in many ways by preserving our quotas and by way of preserving our economic and trade relationship with the U.S.," Mercado said.

On the allegations of Sen. John Osmena (Ind.) [Independent] that the anti-treaty camp has no solid position on withdrawal arrangements, Saguisag said the same thing is clear with the pro-treaty camp.

He said some of the pro-treaty senators want a seven-year period while Osmena wants the military bases to stay in the country "until the end of the world."

Saguisag and Mercado said they were confident a compromise agreement would be arrived at when the Senate resumes its session next week, the anti-treaty senators were set to meet last night to hammer out their position.

Mrs. Aquino has also invited Sen. Agapito Aquino (Bandila) [People's Unity in Spirit and Aim], her brother-in-law, to Malacanang. But Aquino, who is also anti-treaty, is in Germany.

Senate Minority Floor Leader Juan Ponce Enrile (NP) [Nationalist Party] called for a swift withdrawal, saying U.S. troops have been staying as an "occupying force" since the treaty's rejection last Sept. 16.

"Their presence here is outside of any international agreement. They're here at the sufferance of the Filipino people, or at worst, as an occupying power," he said.

Enrile also dismissed as useless the move by some senators to pass a resolution which will allow U.S. troops to remain in the country for more than one year under the Ramos-Rusk and Manglapus-Shultz amendments to the 1947 Military Bases Agreement which expired Sept. 16.

He said these agreements cannot stand alone after the main accord is terminated.

Enrile said the constitutional provision banning foreign troops after Sept. 16, 1991 is clear and "beyond any compromise."

"If the withdrawal period goes beyond one year, it will be beyond the reasonable time stipulated in the previous bases agreement. It is in fact an extension which requires a treaty," he said.

Enrile challenged President Aquino to enforce the Constitution and work out with the U.S. an orderly and expeditious withdrawal of U.S. forces.

"Otherwise, we will enter into a very serious problem with the United States," he said.

He also challenged the U.S. government to honor its pronouncements that it will order the pullout of its forces if the bases treaty is rejected by the Senate.

"They (Americans) should comply with the Constitution and withdraw from the country. Otherwise, they are forcing our officials to violate the Constitution," he said.

Enrile also dismissed as "one lawyer's opinion" the contention of acting Justice Secretary Silvestre Bello that a referendum following a Senate rejection of the bases treaty is legal.

"A majority of bar top-notchers in the country have another opinion," he said.

U.S. Asked for 'True Stand'

HK2509012591 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 24 Sep 91

[Text] Senate President Jovito Salonga called on the U.S. Government to inform the Philippines of its true stand on their military bases in our country. Salonga said that senators need to know the real position of the United States on the issue in order that they may come up with a compromise formula for the orderly withdrawal of U.S. forces in the Philippines which President Aquino requested.

Salonga explained that it is important for the Philippine Senate to know the feelings of the Americans before they can formulate a compromise formula to avoid any future disagreement and to maintain the good relation between the two countries.

In the caucus held by antibases senators at the Senate president's house, Salonga said that they had already devised a formula for the "quick withdrawal" which is going to be sent to the United States. This contains three options from which the Americans may choose in order for them to express their position on the bases.

Senators Ernesto Maceda, Juan Ponce Enrile, Agapito "Butz" Aquino, and Joseph Estrada were unable to attend the caucus.

Meanwhile, eight of the twelve antibases senators agreed to give the United States two more years for an orderly and expeditious withdrawal of their forces from the country. This was agreed upon at the caucus at Senate President Jovito Salonga's house. At the caucus, the senators rejected the proposed seven-year withdrawal period for the American forces in the Philippines.

Salonga stressed that the seven-year withdrawal period is already tantamount to giving the U.S. bases a seven-year extension. Salonga said that the Senate's junking of the controversial bases treaty is final, hence the plan to hold a referendum should be set aside. Meanwhile, the Senate president said that they are still carefully studying which of the three formulas for the withdrawal of the U.S. bases would be more effective and efficient.

Included among the formulas mentioned by Salonga were: Not to get involved in the possible decision by the United States on the expeditious withdrawal of the bases from the country, the Senate agreeing to a one-year withdrawal period if the Ramos-Rusk Agreement was to be followed, and agreeing to a two-year withdrawal period.

Leftists Support Antibases Parties

HK2509075791 Quezon City MALAYA in English 25 Sep 91 p 2

[By Chris Larano]

[Text] The leftist Bagong Alyansang Makabayan [New Nationalist Alliance] will align with anti-bases treaty political parties in the 1992 elections to ensure a new agreement on the military facilities will not be approved by the next government, Bayan spokesman J.V. Bautista said yesterday.

Bautista said Bayan will field candidates only up to the level of senators. He said the presidency will be left for political parties to contest.

He said the move was meant to avert the possibility that a new Senate would ratify the rejected treaty, if it will be submitted anew by Malacanang for concurrence, or a new agreement on the bases which may be renegotiated.

Bautista identified the Liberal Party led by Senate President Jovito Salonga; PDP [Filipino Democratic Party-Nation's Strength] Laban of Sen. Aquilino Pimentel; and the newly-formed Partido ng Masang Pilipino [Party of the Filipino Masses of Sen. Joseph Estrada, as the parties Bayan will align with.

The Nacionalista Party, [NP] whose two members in the Senate—Senate President Pro-Tempore Sotero Laurel and Senate Minority Floor-leader Juan Ponce Enrile—voted against the treaty, is another party being eyed by Bayan.

Bautista, however, cited the pro-bases stance of Vice President Salvador Laurel, NP president, which he said Bayan will take into account.

With this development, observers project that the bases issue will be the main focus in the 1992 elections.

Stock Prices Up Despite Rejection

HK2509081791 Quezon City MALAYA in English 25 Sep 91 p 9

[By Ramon Nadal]

[Text] Stock prices jumped by 6 percent yesterday in the second biggest single-day climb for this year that surprised everybody.

The composite stock index of the Manila Stock Exchange gained 53.84 points or 5.9 percent to end at 966.59 points, while that of the Makati Stock Exchange rose by 56.73 points or 6.15 percent to finish at 978.73 points.

The biggest jump was recorded last Feb. 6 when the composite stock price indices rose by more than 57 points on expectations of the conclusion of the long drawn Gulf crisis.

Joey Salceda of Baring Securities traced the remarkable rally to the 4 percent improvement in the price of PLDT [Philippine Long Distance Telephone] on Wall Street.

PLDT was up by $0.75 in New York which triggered a similar upturn in its local counterpart. It climbed by P[Philippine peso]27.50 in both bourses to settle at P545.

"Foreign investors have shown greater confidence in the domestic market than what was exhibited by local investors," Salceda said.

However, he cautioned that yesterday's rebound was "an overdone technical rally."

He added that there were very few fundamental factors that could fuel a further rise on the market.

"I do not see any major reason that could justify a change in investors' sentiments from bearish to bullish," he remarked.

PLDT's rise sparked a chain reaction in the whole market, top analysts observed.

PNB [Philippine National Bank] and Ayala Corp. followed suit. PNB finished at P275 from P260 in Manila and P257.50 in Makati, while Ayala Corp. moved from P29.50 to P32.50 in both houses.

Salceda said that at this point, the market has limited upside potential. It will find it hard to pierce the 980-point level.

As it reaches this level, the tendency for the market to go down will become more pronounced, while the downside is still at the 880-point level.

Senate Favors Two-Year Withdrawal

HK2509044691 Manila PHILIPPINES NEWSDAY in English 25 Sep 91 pp 1, 2

[By Jose H. Macaspac III and Fidel F. Asor Jr.]

[Text] A two-year withdrawal period for the United States is snowballing in the Senate, with senators belonging to opposite sides of the issue apparently warming up to the idea, including eight of the 12 who voted for rejection of the bases treaty.

All but two of the pro-bases senators have practically withdrawn their support to the Malacnanag-initiated move for a bases referendum, with the pro-bases senators saying any continued stay of the U.S. in the bases should only be for withdrawal purposes.

In other developments:

—Senate Minority Leader Juan Ponce Enrile called on the Nacionalista Party [NP] to rally behind the fight to defend the Constitution in the face of President Aquino's refusal to accept the Senate verdict rejecting the bases treaty.

—Senator Wigberto Tanada and a nationwide coalition of anti-treaty organizations backed Enrile's position that the continued stay of American forces in the country had no legal basis.

—Senator John Osmena continued to insist that a two-year phaseout was not sufficient to implement a base conversion plan.

—Only senators Jose Lina Jr. and Neptali Gonzales remained firm in their commitment to the Malacanang-initiated and sponsored move for a referendum to overturn Senate rejection of the bases treaty.

—Senator Aquilino Pimentel urged a stop to the "constitutional and legal acrobatics in vain attempts at accommodating the U.S." after the Senate rejection of the treaty. The Filipinos should unite behind the Senate decision as it was based on the Constitution itself, said Pimentel.

The anti-bases senators expressed their willingness to support the two-year withdrawal period provided that the U.S. agreed to leave its three floating drydocks in the base at the end of the schedule.

Despite charges from anti-bases advocates that the planned referendum was "unconstitutional and a futile and expensive exercise," Lina and Gonzales said they could continue to push for it since "sovereignty resides in the people" and they should be allowed to decide the fate of the bases.

Senator Leticia Shahani, Senate foreign relations committee chairman, seemed to have softened on her stand on the continued stay of the American military facilities in the country.

Shahani, who cast a "critical yes" vote which Senate President Jovito Salonga said was a "polite no" to the treaty, had accepted the proposition of antibases senators that any extension of the presence of U.S. forces in the bases should be guided by a withdrawal schedule.

She said "any withdrawal arrangement should be an honest-to-goodness withdrawal."

She admitted that she was no longer interested in a referendum and vowed to support the antibases senators in coming up with an acceptable and "implementable" withdrawal schedule.

Senator Edgardo Angara, who also voted for the treaty, said the 10-year accord should be used as a "terminal" withdrawal period for the U.S.

Believing that the Americans would have to leave the country, Angara said the government should make good use of the treaty and include in it a provision on the dismantling of the U.S. military posts.

Salonga, speaking before the Makati Business Club, said many of his antibases colleagues were agreeable to the two-year extension.

He said this should be considered as a token of goodwill to and cooperation with the U.S.

But, he stressed, the Subic facility should be relinquished by the U.S. to the Philippines under mutually beneficial terms.

Salonga said the antitreaty senators were not anti-U.S.

In fact, many of these senators including Salonga himself, Senate Minority Leader Juan Ponce Enrile, and Senator Wigberto Tanada were products of U.S. universities under grants and fellowships.

Salonga said: "We want to deepen our friendly relationship with the American people, based on shared values of justice and fair play, democracy and adherence to basic human rights."

Four of the antibases senators are amenable to a three-year withdrawal period and eight for the two-year period.

The four—Senators Ernesto Maceda, Rene Saguisag, Orlando Mercado and Agapito Aquino—argued that the two-year period was too short for the U.S. to undertake an effective withdrawal.

They said this would also adversely affect the government's "phase-in" period since the country is not yet prepared.

Experts said the Philippines needed at least five years to complete the profitable projects under the various conversion plans. For his part, Maceda proposed that instead of a treaty, the country should agree to an executive agreement on the bases.

Under the Maceda formula, the U.S. would leave its drydocks and repeal the "Obey Amendment" which denies the Philippines any delivery of lethal weapons.

Also, Maceda said the Philippines should be provided with a definitive provision on the excess defense articles that would be sent by the US in support of the Armed Forces.

In an open letter to the members of the NP, of which he is the secretary general, Enrile said the debate on the bases and the treaty was over and the fight for the Constitution had begun.

"The issue is no longer whether we are for or against the bases or the treaty. The only issue is whether we are for or against the constitutional order upon which are founded the legal order and the political stability of our country," he said.

He called on his fellow NP members to support his and the Senate's action on the bases treaty "so that the majesty of the Constitution and the rule of law may be upheld and we may enhance our country's peace and stability."

"Now that the treaty has been rejected, we should unite behind the action of the Senate and forge ahead. Enormous problems and tasks lie before us. We should use the US withdrawal as an opportunity to toughen ourselves and confront those problems and challenges, relying mainly, if not solely, on ourselves," Enrile stressed.

In seeking his party's suppport, Enrile said the NP could not be associated with anything other than the true and correct nationalist position that desires the country's complete and total political freedom and economic independence.

"The very name of our party—Nacionalista—defines in advance the stand that we, particularly our leaders, must take on so crucial an issue. it also defines our tradition and our history," he said.

Enrile explained that as the NP secretary general and the lone voice of the opposition in the Senate, he felt it was his duty to vote on the treaty according to his best appreciation of the national interest and the interest of the party, "even at the risk of my own personal interests."

Enrile noted that despite the jubilation that greeted the Senate action on the treaty, Mrs Aquino has refused to recognize its constitutional and political validity.

He said: "This refusal to accept reality has brought us into our present constitutional crisis. It is a crisis unprecedented in our history."

He also recalled that on December 8, 1989 the NP central committee adopted a resolution calling for the non-renewal in any manner or form of the 1947 Military Bases Agreement upon its termination, as ordained by the Constitution, in 1991, and for the abrogation of the RP [Republic of the Philippines]-U.S. Mutual Security Treaty.

He said this constitutional policy and the resolution of the NP Central Committee "combined with reasons of history, national sovereignty, political independence, national security, sound domestic and foreign policy, plus the fact that the Executive Department had negotiated a technically flawed document, argued for the total and complete rejection of the treaty."

Enrile admitted that there were some members of the party who held a different view, fearing that the country would instantly collapse if the U.S. forces went away.

"But my faith in our people—our people's faith in themselves—is much stronger than this. They know the limits of dependency," he said.

Senators Reject 4-Year Withdrawal

HK2509114191 Quezon City ABS-CBN Broadcasting Corporation DZMM in Tagalog 1100 GMT 25 Sep 91

[Text] Twelve anti-bases senators have rejected Washington's proposal for a four-year withdrawal period with payment for the U.S. forces. This was announced by Senate President Jovito Salonga after his speech on the issue of the Constitution and military bases at the University of the Philippines College of Law.

Meanwhile, Press Secretary Tomas Gomez III refused to confirm or deny the report on the alleged proposal by Washington. REUTER news agency reported last night that the proposal was contained in a confidential report sent by Washington to the Aquino government.

Bases Management Transfer Urged

HK2509053291 Quezon City Radyo ng Bayan in Tagalog 0400 GMT 25 Sep 91

[Text] The Senate majority will allow the retention of the U.S. bases for two more years only if the Americans turn over their management to the Philippines. This was ascertained by Senate President Jovito Salonga after a caucus held by antibases senators who are questioning the illegal stay of the Americans in the country after the Senate rejected the bases treaty. Salonga confirmed that the majority of senators are in favor of the two-year deadline to expedite the process of transferring the rights to the facilities and their planned conversion.

Senate Recognizes Ramos-Rusk Pact

HK2509053391 Quezon City Radyo ng Bayan in Tagalog 0400 GMT 25 Sep 91

[Text] The Senate will not object if the United States uses the controversial 1966 Ramos-Rusk Agreement to allow for a one-year period for the Americans to leave the Subic Naval Base. This was announced by Senate President Jovito Salonga. Let us hear from JoJo Ishmael for more details.

[Begin Ishmael recording] Salonga said during a speech in front of members of faculty and students of the University of the Philippines College of Law that the Senate, particularly the antitreaty senators, will give a chance for a one-year allowance period if the United States asks for it by means of invoking the 1966 Ramos-Rusk Agreement. According to Salonga the one-year period might be used to form a withdrawal committee for the Philippines and the United States for an orderly transition in relation to the transfer of ownership and control of the facilities inside the military bases. Salonga admitted that they are currently planning to pass a resolution to give power to President Aquino to enter into an executive agreement between her and her counterpart from the American Government for the one-year grace period. But the Senate president clarified that she should include the Senate in all the discussions in the future regarding the executive agreement on the pullout period. [end recording]

Workers' Groups Oppose Moratorium

HK2509021691 Manila Far East Broadcasting Company in Tagalog 0100 GMT 25 Sep 91

[By Ed Timbol]

[Text] Cause-oriented groups from the ranks of the workers have already manifested their opposition to the strike moratorium proposed by the 1 May Movement in exchange for a quick withdrawal of the U.S. military bases from the country. According to them, the bases have never been a hindrance to their struggle for the right of workers to go on strike.

Clark Base Turnover Date Viewed

HK2509061491 Manila BUSINESS WORLD in English 25 Sep 91 pp 1, 6

[By Teodoro Y. Montelibano]

[Text] The turnover of Clark Air Base (CAB) to the Philippine Government wil be completed before Christmas, but whether or not base conversion plans will immediately be implemented is a big IF.

One such variable is if today's plans would be implemented by the next administration. This was indicated by Delfin Lazaro, chairman of the Special Operations Team (SOT) tasked by President Aquino to coordinate all activities related to the implementation of bases conversion plans until such time that a Bases Conversion and Development Authority (BCDA) is created and made fully operational.

Lazaro's immediate task at hand is finding the most viable solution to CAB in Pampanga. "We can confirm that Clark Air Base proper, that is, 4,400 hectares of fenced area, will be turned over in seven phases to be completed before Christmas (this year)," he told a media forum at the Manila Pavilion Hotel yesterday.

Results of a technical study conducted by the SOT and the State University and which were submitted to the Senate early this month list at least four possible uses for the base. These include an international airport which could substitute for Ninoy Aquino International Airport and an industrial estate which would accept firms so long as they are not in the manufacture of such ultra-sensitive products as electronics.

The plan to convert CAB into a passenger international airport has not been abandoned. But first, the arduous task of cleaning up the dust and ash has to be done.

Lazaro said the US command at CAB had told him that they are in the process of securing approval from the US Government to turn over to the Philippine Government all of the non-removables that are still in the base.

To fund the implementation of Government's bases conversion plans, Lazaro is banking on the enactment of a Senate bill authored by Sen. Leticia Shahani proposing the creation of a BCDA which, he said, "would make available a total of 899 hectares of land in Metro Manila to be disposed and converted into cash." The lands referred to by Lazaro are those occupied by military camps in the metropolis.

He said if all 899 hectares are sold, this would mean a whopping total of P [Philippine peso] 94 billion for Government (assuming that the average cost per hectare of these lands is pegged at P10,400 per square meter) to use to relocate the camps (Fort Bonifacio, Villamor Air Base and Camps Crame and Aguinaldo) outside Metro Manila and for the conversion of CAB and, eventually, Subic Naval Base.

The Shahani bill, still to be calendared for second reading, proposes that only 35% of the total proceeds from the sale of the military camps is to be used for bases conversion.

Immediately, Lazaro said, some portions within the camps can be sold as these are not being used by the military. "One is the 121-hectare area beside the Libingan ng mga Bayani [National Heroes Grave] inside Fort Bonifacio which is being proposed to be developed as a memorial park, and the other is a 2.7-hectare piece of land at the end of the driving range at the Villamor Air Base golf course."

Also, another property that could already be sold is the area being occupied by the Philippine Marines inside Fort Bonifacio. The contingent is programmed for relocation to the San Miguel Naval Station in Zambales.

A bill fielded in the Lower House is proposing that the Public Estates Authority be authorized to undertake the sale of the Metro Manila military camps.

Estimates made by government in relocating these camps elsewhere run to some P13.5 billion.

In taking over CAB, the SOT's proposal is for both the Department of National Defense (DND) and the

Department of Trade and Industry (DTI) to join in developing the area even as the Philippine Navy and the Department of Transportation and Communications take over Subic.

"Our recommendation is for lead agencies with more manpower and a bigger budget to be designated to take over certain places," Lazaro explained.

But, candidly, he said, in response to a query as to how sure he was that base conversion plans now being made by Government would be implemented by the next administration, "Your question is also the question we are asking."

Cabinet Members' Division Viewed

HK2409061291 Quezon City MALAYA in English 24 Sep 91 p 4

[Editorial: "Cabinet Dissidents"]

[Text] The story is told of Abraham Lincoln presiding over a meeting of his cabinet at which a contentious issue was being discussed and debated. He heard out all his advisers and they seemed to be unanimously opposed to the project that was on the table. Finally he said, "Well, we've heard all the arguments, now let's take a vote. All those who are against this plan, say Nay." His entire cabinet said Nay. "I vote Aye," Lincoln said. "The Aye has it." And that was that.

This is how cabinet government operates in a presidential system. A few members of President Aquino's cabinet have been bold enough to make public their opposition to her plan to call a referendum in an effort to revive the very dead U.S. bases treaty. But asked if this meant they were poised to resign, they gave a variety of tentative answers and none a forthright Yes.

One problem may be that they no longer know how Mrs. Aquino stands on the question of a referendum. The probability is that she herself does not know, which would be nothing new. Some of her spokesmen say she is still dead set on it, others that she has abandoned the idea of leading the charge herself but will now leave the dirty work to so-called cause-oriented groups. Still others claim she has given up on the referendum and has begun to look with favor on schemes being discussed in the Senate to give the Americans a withdrawal period of anywhere from three to seven years.

It thus seems unfair to press the dissident cabinet members on whether they are determined to resign if they don't have the faintest idea, so confused and muddled is Mrs. Aquino's position, just what it may be they would be resigning over. Even on the question of the notice of termination on the Americans that her government has recalled she does not know whether she is coming or going; there is talk that a new notice of termination will be handed to them. Her cabinet members and they know exactly how and where their boss stands.

But the principle is unassailable that cabinet members who cannot agree with the President on a vital issue should resign. Inside the privacy of cabinet meetings they can argue and debate to their hearts' content. But once the President has made a decision and announced it, then it is every cabinet member's obligation to defend and support it, or if he cannot in conscience do so, resign. This is the honorable way.

There is also, of course, the Manglapus Way. Secretary of Foreign Affairs Raul Manglapus told the Senate in plain and simple language during the treaty hearings that he believed a national referendum after it shall have been rejected by the Senate would be unconstitutional and unlawful, because there wouldn't be a valid treaty to vote upon. Afterwards, when Mrs. Aquino began waving the flag of referendum with zeal and enthusiasm, would you believe who was beside her screaming his head off in support and jumping up and down exhilaratedly like the Ateneo cheer leader that he was of old?

Today, Mr. Manglapus has flown off to New York, on his annual hegira to attend the sessions of the United Nations General Assembly. During these yearly visits, he lives in the lap of luxury in New York, as befits all the other foreign ministers who infest the city at this time. So why should he give up this annual, taxpayer-paid, wonderful junket for the sake of living up to his principles and convictions? To repeat an argument heard all over during the bases debate, can you eat principles and convictions?

Manglapus left behind, in his department of foreign affairs, a brave group of officials and employees who dared to write President Aquino a respectful letter urging her to respect the Senate's rejection of the treaty and to abandon her option of a referendum. They showed little regard and the utmost contempt for their department secretary and his brazen somersaults.

Hardly surprising.

Now there are other officials and public servants in other executive departments gingerly watching their bosses who have taken issue with the referendum and wondering how they will behave if and when the crunch comes. Will they stand fast, or will they crumple? Will they do it their way, or the Manglapus way? Vamos a ver [Let us see].

Editorial Views Economic Options

HK2509100491 Manila THE CHRONICLE in English 25 Sep 91 p 4

[Editorial: "'Big Bang' Can Mean 'Big Words'"]

[Text] The Secretary of Finance, Jesus Estanislao, has unveiled a four-point policy plan that seeks to adjust the economy in the aftermath of the Senate rejection of the military bases treaty. It aims to cushion the jarring effects of the withdrawal of U.S. forces, assuming the worst case of a pull-out within a year.

The plan is transitional. It is aimed at bridging in the medium term the path of the economy between now and June next year when a new government takes office.

Its main elements are: (1) cutting the inflation rate to a single digit by June 1992; (2) securing a "big bang" reduction of foreign debts with commercial bank creditors; (3) increasing government revenue; and (4) speeding up implementation of foreign-assisted projects.

A closer examination of the plan indicates that it offers nothing new. All these elements have been proposed singly and what Mr. Estanislao has done is to repackage them and tie a new ribbon to the package which has been glibly called the four "milestones" of a government wilting in the twilight zone. At the very least, however, Mr Estanislao deserves praise for giving some coherence to what the government intends to do to prepare the economy for the expected rough weather ahead. There are not many in this government who are as inventive as Mr Estanislao or who can produce initiatives even during crises. One wishes there are more of them.

We share with the Central Bank governor, Jose Cuisia, his concern that inflation, now running at the rate of nearly 20% "is the worst form of taxation that you can inflict on people." Historically, the main responsibility of the Central Bank, as was the case during the time of its first governor, Miguel Cuaderno, has been to curb inflation. When this function was degraded by political intervention during the last months of the first Marcos presidency, inflation rate soared to more than 40%, triggering instantly latent elements of unrest and rioting in the early 1970s.

Inflation inflicts high social and political costs, and no Central Bank in the world is more acutely aware of these than the German Bundesbank, which has been very determined to control inflation and intervene in interest rates so as to prevent both inflation and rates from debasing the currency. When, for example, during the last few months, Germany's inflation was rising to four percent (not 20%, which is our inflation rate), it was enough to send alarm bells ringing in the Bundesbank, prompting it to take measures to try to bring it down. The bank has never forgotten that one of the principal factors that favored the rise of Hitler and Nazism and the demise of the Weimar Republic was the explosion of inflation. So, Mr. Cuisia is reading his history correctly.

The case of adhering to the International Monetary Fund's stabilization program has been stressed by Mr. Estanislao many times, so it needs no repeating. This has called for cuts in government spending. But the problem with tight money policy and cuts in government spending is that they slow the economy, which has been growing at under three percent. The goal of putting down inflation rate is due to collide with election spending which can only increase in the next nine months.

What worries us about the "milestones" is the promised "big bang" reduction of foreign debt. In the face of Mr. Estanislao's record of negotiations and the cramped terms of reference adopted by the government (simply stated, it means don't rock the boat with such risky things as debt moratorium or suspension of interest payments), it remains to be seen what surprises he has to offer.

The negotiating posture of the government, which refuses to tgake risks or bold initiatives, has prevented it from doing such moves as Peru did. At the same time, while the government has avoided risks, it has also not made gains in being overly careful. The government has not been able to obtain any debt write offs in the magnitude of the forgiveness given to Poland, Egypt, and recently Peru by donors of ODA (Official Development Assistance). Thus, Mr. Estanislao is not very credible in achieving his "big bang," and it is better than we don't expect much, to avoid a letdown. "Big bang" can translate into "big words."

Finally, the absorptive capacity of the government in utilizing aid already committed and in the pipeline remains a problem. The bottlenecks are a function mainly of administrative efficiency, for which this government cannot claim high marks, and lack of peso counterpart funds to finance the local components of the projects.

Aquino Refuses To Suspend Westinghouse Payments

HK2509035791 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 25 Sep 91

[Text] President Aquino has turned down Senator Guingona's call to temporarily suspend interest payments on the funds used for the construction of the Bataan Nuclear Power Plant. President Aquino said that the government should wait for the results of the investigation being conducted by the U.S. district judge in New Jersey before the Philippines suspends payments. In a statement, Mrs. Aquino said that the investigation has not yet produced any results proving that there were indeed anomalies in the funding given by foreign banks for the project. The chief executive assured that the government will suspend interest payments and hold the foreign banks responsible if and when they are proven to have connived with Westinghouse Electric Corporation.

Bataan Nuclear Plant Called 'White Elephant'

HK2509065691 Manila PHILIPPINES NEWSDAY in English 25 Sep 91 p 10

[Editorial: "The Bataan Nuclear Trap]

[Text] Years after it has been mothballed, the controversial Bataan Nuclear Power Plant continues to give the Aquino government headaches. To begin with, the energy problem that has hounded President Aquino's administration practically from the part, is directly attributable to the decision not to operate the 620-megawatt plant—a decision that was made without making any provisions for alternative power sources.

Aside from being a $2.3-billion monument to the government's shortsightedness, the Bataan nuclear plant continues to be a major drain on the national budget. To meet interest payments alone on the loans the previous government borrowed to finance the construction of the plant, the government shells out $355,000 daily, or more than three-fourths of the country's total debt servicing burden on an annual basis.

And as if all these problems were not enough, the Bataan nuclear plant now threatens to derail the forging of an agreement for a new financing package the country's debt negotiators are working out with foreign bank creditors. Under the new package, the Philippines will get $2.3 billion in new money and interest payment reduction, plus a $1.5-billion cut in its debt stock, primarily through three debt conversion schemes.

However, the foreign banks want the Bataan nuclear plant's debt papers to be declared eligible for the debt conversion schemes, a proposal some government officials, notably members of Congress, vehemently object to. These officials, led by Senators Rene Saguisag and Teofisto Guingona, argue that the nuclear plant loans were "fraudulent" since the banks that extended them allegedly engaged in "highly irregular practices" to obtain the right to finance the project. They point out that allowing the "tainted" loans to be converted into new government-backed bonds would obliterate them.

The country's debt negotiators, on the other hand, say conversion would not in any way erase the loans. In fact, they claim, it would buy the government more time and allow it to press its case in a New Jersey court that is now looking into the controversial project. They add that by endangering the new financing package, the Bataan plant's debt paper question may cost the Philippines more.

It is clear that the problems being caused by the Bataan nuclear plant can be resolved, or at least minimized, if the Aquino government can only get its act together. However, in light of this government's dismal record, perhaps the better option is to operate the plant and pray that it won't turn out to be another Chernobyl. This way, there is at least a fighting chance that the country will get something good out of the project.

Editorial Views Local Government Autonomy Code

HK2509061291 Manila MANILA BULLETIN in English 25 Sep 91 p 6

[Editorial: "Emancipating Provinces: The Local Autonomy Code"]

[Text] It has taken three years to craft, debate and approve the new Local Government Code, as mandated by the Constitution of 1987. After innumerable deadlocks, the draft code has finally broken through at the level of the bicameral conference committee and is now ready to be signed into law by President Aquino.

As Senator Aquilino Pimentel Jr., the principal author in the Senate, has pointed out, the new code will unlock substantial resources for provinces, cities, municipalities and barangays. The share of local governments in the internal revenue allotment during the previous administration stood at 7 percent. This has since risen to 11 percent. Under the new code, this share will rise on a graduated basis to 30 percent in 1992 and to 40 percent by 1994.

In absolute terms, the new code will boost the internal revenue allotment for local governments to P [Philippine peso] 24 billion next year, P36 billion in 1993 and P46 billion in 1994. Under the code the provinces, cities and municipalities will also be entitled to an equitable share of the proceeds from the use and development of national wealth or natural resources located in their respective areas.

The new code also devolves some of the powers of the central government relating to finance, health, education, public works and peace and order to the local governments for the first time. The law vests taxation powers in the local government units which, however, must conform to the national standards as prescribed by the Constitution.

Both houses of Congress deserve to be commended for this landmark legislation. In the House of Representatives, the leadership of Speaker Ramon V. Mitra was criticial to the approval of the code, which required some self-abnegation on the part of its members. The law strengthens the powers of local officials and diminishes the powers of congressmen as the traditional power brokers between the center and the periphery.

A highly overcentralized national government was part of the legacy of colonialism which had been passed on intact after the nation won its independence. A system that served the interests of the colonizers by keeping the provinces in a state of dependency and mendicancy no longer serves the needs and aims of a free and democratic society.

The new code means that the centuries-old constraints on the growth of local initiative and self-reliance and other modernization ideals will now be permanently lifted. In the words of Senator Pimentel, the new law on local autonomy "will unleash a flood of new, creative forces" for the development of our rural hinterland. The crusade to emancipate the provinces from "imperial Manila" has followed a long and tortuous route. At least at the legislative level, the battle for autonomy is finally won.

Mitra Said Hopeful of Honasan's Surrender

HK2509053891 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 24 Sep 91

[Text] House Speaker Ramon Mitra Jr. expressed the belief that former Colonel Gregorio Gringo Honasan and other leaders of the Reform the Armed Forces

Movement-Soldiers of the Filipino People- Young Officers Union [RAM-SFP-YOU], will surrender very soon.

Speaker Mitra reported this to President Corazon Aquino in a meeting with her and General Lisandro Abadia at Malacanang yesterday. Mitra said there is a great chance that their negotiation with Honasan will succeed to convince them to return to military control.

Mitra clarified that the rebel soldiers will still be tried in court if they surrender to let them answer for their actions against the government. According to the speaker, Honasan's group understands the implications of their actions regarding the coup d'etat they launched; thus, they should be ready to face the responsibility of whatever violation they committed against the present administration.

He admitted that although his dialogue with Honasan's group was a success, it is not yet clear whether they would really surrender or not, because of the belief that it is not yet time for them to place themselves under the control of the Armed Forces of the Philippines [AFP].

Meanwhile, Defense Secretary Renato de Villa admitted that he had no participation in the efforts of AFP chief of staff General Lisandro Abadia and House Speaker Ramon Mitra Jr. to convince rebel soldiers of RAM-SFP-YOU to surrender. Nonetheless, he is not opposed to the efforts and negotiation being undertaken by Mitra and Abadia with Honasan's group.

At the same time, De Villa denied allegations that the rebels prefer to talk to Mitra because the latter could grant amnesty to them. The defense secretary clarified that President Aquino will first have to approve the granting of amnesty to the rebel leaders of the military before it can be implemented. De Villa expressed support for the president's position on reconciliation with justice.

Aquino Denies Giving Amnesty to Rebel Soldiers

HK2409105991 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 24 Sep 91

[By Dick Singchongco, DZRH Unit 6]

[Text] President Cory Aquino denied giving amnesty to rebel soldiers headed by renegade ex-Colonel Gregorio Honasan. In a statement the president said there was no discussion of giving amnesty to rightist rebels. Following this the president again stressed that she gave her permission to Armed Forces Chief General Lisandro Abadia particularly to negotiate with the Honasan group.

Meanwhile the president said that the communist rebels' cease-fire declaration is just a propaganda move which was withdrawn a day ago. The president supported the announcement of General Abadia saying the cease-fire offer of the National Democratic Front was just a propaganda ploy.

Leyte Police To Assume Anti-Insurgency Drive

HK2409053691 Manila THE CHRONICLE in English 24 Sep 91 p 12

[By Joey Caburnida]

[Text] Philippine Army troops will pull out of Leyte soon and its counter-insurgency operations will be turned over to the island police force after police officials announced that they had broken the political and military structure of the New People's Army [NPA] there.

Police Chief Superintendent Vicente Garcia, director of the Philippine National Police [PNP] Regional Command 8, told PNP Director General Cesar Nazareno the NPA [New People's Army] in Leyte has started withdrawing its forces.

Garcia said joint forces of soldiers and policemen have broken the NPA political and military structure in the island, considered a hotbed of insurgency in the Visayas.

He said most of the previously rebel-infested barangay in Leyte have been cleared, adding that the insurgents have fled to nearby Samar, where the NPA remained strong.

Only a company of infantry men havve been left in Southern Leyte and the soldiers are expected to return to their mother unit in Samar to reinforce counter-insurgency operations there.

Leyte is the second island command to be turned over by the Army to the police. The first was Mindoro. Earlier, counter-insurgency operations in Metro Manila had been turned over by the National Capital Region Defense Command to the PNP Capital Regional Command.

Nazareno said the rebel-infested province of Quezon, particularly the Bondoc Peninsula, would also be turned over to the PNP soon.

He said that by next year, all counter-insurgency operations in the country would be gradually turned over to the police as the entire military would consequently shift its focus on the country's external defense.

Communist Rebels Move Drug Operations to Negros

HK2509033891 Manila MANILA BULLETIN in English 25 Sep 91 p 5

[By Aris R. Ilagan]

[Text] The Communist Party of the Philippines-New People's Army (CPP-NPA) has shifted its "lucrative" marijuana trade from the Cordillera Region to Negros Island to intensify its fund-raising activities, a top military official said yesterday.

In his report to Gen. Lisandro C. Abadia, AFP chief of staff, Brig. Gen. Raymundo Jarque, Negros Island Command (Nicom) chief, said some of his soldiers became addicted to the marijuana supplied by the communist rebels.

Jarque said the marijuana plantation of the NPA rebels is near the Cabancalan River in Negros Occidental where a major offensive has been launched.

On the other hand, the Lt. Crispin Tagamolila Command-Northern Luzon confirmed reports that the AFP and agents of the United States Drug Enforcement Agency (U.S.-DEA) launched an anti-drug operation in the Cordillera Region.

In Central Luzon alone, marijuana plants worth P65 million were burned by members of the Philippine National Police-Narcotics Command (PNP-Narcom).

Government authorities said marijuana trafficking has become a major revenue earner for the CPP-NPA to allow the movement to buy more guns.

10-Day Cease-Fire Declared in Negros Province

HK2509140091 Quezon City ABS-CBN Broadcasting Corporation DZMM in Tagalog 1100 GMT 25 Sep 91

[Text] A 10-day cease-fire was formally declared in the province of Negros Occidental. Witnessing the declaration were Governor Daniel Lacson Jr., Negros Bishop Camilo Gregorio of Bacolod and Brigadier General Raymundo Jarque of the Negros Island Command. The Negros Cease-Fire Committee went ahead with the declaration despite the Negros National Democratic Front's objection to the government's proposal to hold peace talks at the local level. According to Lacson, Negros is the first province to have voluntarily declared a cease-fire in the country.

Military To Focus Attention on External Defense

HK2509075991 Manila THE CHRONICLE in English 25 Sep 91 p 6

[By Joey Caburnida]

[Text] With the Senate rejection of the RP [Republic of the Philippines]-U.S. bases treaty the military is redirecting its focus towards external defense and is departing from local counter-insurgency where it has confined its efforts during the last 20 years.

"The AFP [Armed Forces of the Philippines] must now prepare for the unfolding scenario, mapping the way for a better and more self-reliant AFP even with the prospects of reduced resources due to the treaty of reflection" Armed Forces chief Gen. Lisandro Abadia told members of Business International Corp. at Mandarin Oriental Hotel yesterday. [sentence as published]

As the military shifts to a "national defense mode", there is a need to professionalize its forces and modernize its capabilities.

Even as he urged the Senate to allocate budgets for its modernization plans. Abadia said the AFP will adopt measures to help fund its plans.

These scheme, he said, include entering into counter-trade arrangements, joint ventures, technology transfer and local co-production.

Senate defense committee chairman Ernesto Maceda has said that the AFP's P [Philippine peso] 19.6 billion budget for 1992 had been approved "in principle", adding that the military would not be hampered by the bases treaty's rejection because Congress would support its funding needs, including a supplemental budget for the operation of reverted U.S. facilities.

Abadia said that the last 20 years of focusing its priorities on counter-insurgency have "reconfigured our equipment and weapons system to address internal security threats."

This, he said, has contributed to the misimpression that despite four decades of being assisted by the Americans the AFP still failed to have modernized its capabilities.

At the same time, Abadia said that while the AFP is developing its external defense capabilities, there is still need to address the problems on the ultra-rightist rebels to unify the fractious military.

He stressed that the peace initiatives he had initiated are all directed towards preventing the recurrence of coups which has threatened the democratic life of the government.

"We are hopeful that we can establish an atmosphere where the possibility of coups by the AFP rebels will practically be nil, paving the way for a truly professional armed forces," he said.

Such initiatives, he maintained, is "the route to an enduring reconciliation that can ultimately unify the armed forces."

At the same time, the chief of staff said that the Senate rejection of the RP-U.S. military bases treaty might cause setbacks in its goal of defeating the local communist movement by the end of next year.

"True, the present situation in the aftermath of the rejection of the bases treaty may cause some delay in the attainment of the objective, but eventually we will win," Abadia told the same audience.

He however said that this will not give the underground left any advantage due to what he claims to be the continued decline of the communist insurgency since 1988.

"We in the AFP have maintained that by the end of 1992 we can achieve strategic control and render the CPP/

NPA/NDF [Communist Party of the Philippines-New People's Army-National Democratic Front] basically incapable of posing a grave threat to the nation," he said.

Abadia said recent historical developments, the latest of which is the "disintegration of communism in Russia and Eastern Europe, has reduced the communist guerrillas in the country into "ideological orphans."

He admitted that the success in its counter-insurgency operations has been sustained to some extent through the "standard security assistance from the U.S."

He maintained that the communist declaration of a unilateral ceasefire in support of the rejection of the bases treaty is "another ploy to reinvigorate and pursue its goals of taking over the government."

"Its track record along this line hardly inspires faith. As I therefore anticipated, the NDF offer was withdrawn a few days ago," he said.

Seeks 10 Billion-Peso Funding

HK2509101291 Manila BUSINESS WORLD in English 25 Sep 91 p 10

[By Ma. Caridad S. Bautista]

[Text] The Armed Forces of the Philippines (AFP) will seek an additional P [Philippine pesos] 10 billion to make up for the loss of U.S. financial and logistical support.

AFP chief of staff Gen. Lisandro C. Abadia said yesterday the bulk of funds will go to the modernization program of the military while the rest will go to a supplementary fund that will maintain the military's mobility. The AFP's budget this year amounts to P17.57 billion.

With the Senate's rejection of another bases agreement with the U.S., the military loses $253 million every year. Of this amount, $150 million should have been in the form of excess defense articles (EDA) intended to help modernize the AFP.

Gen. Abadia the other day made a last ditch effort to keep the U.S. financial and logistical support by calling on the people to rally behind President Aquino's call for a referendum on the bases treaty.

He had earlier appealed for the Seante's approval of the pact,

Meanwhile, Brig. Gen. Manuel Mariano, AFP Logistics Command chief, said they still have about three years' worth of supplies and material in the "delivery pipeline" from the U.S.

The U.S. has just delivered the initial batch of 85 M-35 heavy trucks to the AFP, Gen. Mariano said. The latest delivery followed the arrival earlier this month of more than 1,000 Kennedy-type jeeps and trailers.

He said the supplies include spare parts for ships, planes and transport vehicles provided by the U.S. under the Foreign Military Sales (FMS) component of the bases compensation package.

Gen. Mariano added the supplies were contracted during the past years and would not be affected by the cut in U.S. logistical support.

But after the "pipeline" dried up, the military will be forced to pay for its needs on a cash basis or when feasible, through barter.

The military is accelerating the "multi-sourcing" of its material needs to reduce its traditional dependence on U.S.-made goods.

Barter Arrangements

The Air Force is planning to purchase its fighter-interceptor needs from Israel through barter. The Navy is tapping the Spanish, Australian and Chinese shipbuilders to provide it with at least six attack craft, three of which will be capable of firing missiles, and two landing support vessels (LSVs).

Gen. Abadia said the modernization program will provide the military with air defense and coastal capabilities.

He stressed that while the AFP is superior in the quality of its manpower, it has slipped 10 to 15 years behind its Southeast Asian counterparts in the quality of equipment. The Philippines is the only country in the region, aside from Thailand, that had to fight a war in the past decade.

"We should at least have the capability to defend our territory and catch poachers in our fishing grounds," he said.

CB Chief Predicts Less Than 1 Percent Growth

HK2309085791 Quezon City MALAYA in English 23 Sep 91 p 9

[By Dinna Chan]

[Text] The Philippine economy is expected to achieve a positive growth of less than 1.0 percent this year despite a negative 0.23 percent slump in the first semester, Central Bank [CB] Governor Jose Cuisia Jr said over the weekend.

The economy will post a positive growth in the face of loss of investor confidence and a projected drop in tourism receipts, Cuisia told reporters.

Initially, the National Economic and Development Authority had targeted a growth range of 1.5 percent to 2.5 percent in 1991.

However, the government's economic planning agency downscaled its growth range to the lower end of 1.5 percent after estimates that agricultural production in the Central Luzon area which was devastated by Mt Pinatubo would not be enough to sustain substantial economic growth this year.

"The 1.5 percent gross national product growth being targeted by the government for this year would be very difficult to attain. While the economy will grow positively this year, it would be less than one percent," Cuisia said.

The CB chief stressed that the rejection of the U.S. bases treaty by Senate could mean "tremendous suffering" for the Filipinos in the next few years.

However, he added, that the government is presently working at an expansion of economic ties with countries which are not included in the Multilateral Aid Initiative such as Taiwan, Brunei and Korea.

The Philippine government is pushing for more investments and a major trading relationship with South Korea, Cuisia said.

At this point, the government is focused on its fiscal policy with the expected loss of $360 million in 1992 in bases compensation and aid from the United States.

Cuisia stressed the need for the government to control its fiscal deficit and stay on track of the economic stabilization program.

"The government's fiscal policy is a delicate balancing act aimed at controlling the deficit and at the same time, not throttling economic recovery," he said.

At present, the government is maintaining tight fiscal and monetary policies that are aimed at containing deficits and inflation.

Earlier, Cuisia said that the rate of inflation for December of this year would range from 11 percent to 12 percent and not single digit as the government had earlier projected.

Manila Considers $300 Million World Bank Loan

HK2409043191 Manila MANILA BULLETIN in English 24 Sep 91 p 31

[By Ernesto Tolentino]

[Text] The Aquino administration seriously considers asking the World Bank (WB) for another debt management loan—knowing it will meet difficulty in securing the resources it requires to mount a cash debt buy-back program early next year.

Informed sources said the new loan eyed from the multi-lateral financial institution ranges from $200 million to $300 million.

When lumped with a $300 million credit being sought from Japan's Export-import Bank (Eximbank), the resources could help retire a little over $1 billion in commercial debts owed by state-owned enterprises from a group of foreign commercial banks, represented by the 12-man Advisory Committee led by the Manufacturers Hanover Trust, they noted.

In exchange for the WB loan, the Aquino government will however have to make a commitment to pursue the restructuring of the Board of Investments (BOI) from an investment regulatory body to an "almost non-regulatory agency and an investment/export promotion body" and the lifting of remaining quantitative restrictions, except those dictated by security and health reasons, on imports.

Moreover, the Aquino administration has to qualify for the WB assistance by remaining on track with the targets set in its economic stabilization program (ESP), and has to whip up a new medium-term economic program to gain access to the Eximbank resources.

The move to ask the WB for another debt management loan was due to the perceived reluctance of other official sources of credits to provide assistance to the Philippines following the Senate's rejection of a new basing accord with the U.S., the sources said.

A top administration official pointed out that the "Philippines technically has some $800 million to $1 billion in official resources that it can use for a debt reduction program."

These resources represent the balance of the $1.4-$1.6 billion in official credits the Philippines successfully raised in 1980-90 for its debt reduction initiative, which resulted in the retirement of $1.3 billion worth of commercial debts.

However, Philippine availment of these resources was being hampered by rigid access guidelines imposed by the official creditors, which included the U.S. and Japan, as well as the compartmentalization of said resources into those earmarked for straight debt buy-back and those for debt service reduction (conversion of debts into bonds with reduced interest rates).

Agriculture Department Reports Mudflow Damages

HK2509082191 Manila MANILA BULLETIN in English 25 Sep 91 pp 1, 14

[By Zac B. Sarian]

[Text] Damage to riceland in the lahar-devastated farms of Pampanga, Zambales, and Tarlac has reached more than P [Philippine Peso] 440 million, according to the Department of Agriculture [DA] which released the latest figures yesterday.

Lahar and mudflow damaged about 19,165 hectares of rice farms in the three provinces which could have yielded 66,710 metric tons of rice estimated over P440 million.

The widest area damaged by volcanic eruption was in the eight towns of Tarlac consisting of 11,345 hectares.

These are Moncada, Concepcion, Capas, Bamban, Paniqui, Camiling, Lapaz, and Tarlac.

In Pampanga, the area damaged by lahar was 5,951 hectares in 12 towns and the lone city of Angeles.

In Zambales, the widest area damaged was in Botolan where 1,197 hectares of ricelands were buried by volcanic debris.

Aside from ricefields, also damaged were fishponds in Pampanga, particularly in the towns of Saamuan, Minalin, and Lubao which was estimated at around P30 million.

Meanwhile, Oplan Sagip Bukid [Operation Plan Save the Farm] implemented by the Department of Agriculture (DA) reported that a total of 52,103 hectares have been plowed with government assistance involving 34,144 farmers in 424 barangays of 40 municipalities in Central Luzon.

The DA report said some 44,710 hectares have been planted to rice; 168 hectares to vegetables; and 160 hectares to root crops.

Thailand

Minister on Ties With ASEAN

BK2209023491 Bangkok THE NATION in English 22 Sep 91 p B3

["Excerpts" of address by M.R. Kasemsamoson Kasemsi, minister in the Prime Minister's Office, to L'Academie Diplomatique Internationale in Paris on 19 September]

[Text] Up to and at the beginning of the 1980s, Thailand had an attitude and outlook of a nation in peril because of the perceived threats from the fresh communist victories in Indochina and the beginning of a military adventure in Cambodia. With its economy remaining uncertain, the Thai public felt greatly insecure and entertained somewhat pessimistic feelings.

A priority seen and shared by its Asean partners was to rectify the anomalies created by the occupation of Cambodia. The feeling of uncertainty therefore did not encourage Thailand to be outward looking as far as regional relationships with other Indochinese countries were concerned.

Today Thai people are indeed confident and buoyed by their country's economic and political success hitherto not witnessed before. Moving from being people captivated by fear and pessimism, Thais are now bullish in their attitude in dealing with the outside world, including their immediate neighbours.

This is a testimony to a new found confidence. As a result, Thailand's inward-looking perspective has given way to a more regional and global outlook.

With the rapidly occurring changes in the Indochinese countries, there have been numerous opportunities for market access and investment. These changes also happening in Burma should increase the opportunity for Thailand to become an economic front-line state in this region. Political changes in the socialist countries of Northeast Asia might also result in the movement of investment capital into Asean and Thailand is one of the countries which stands to benefit from such a movement.

As for development in trade, Thailand is determined to become the main trading centre of the region [Southeast Asia]. This is to be accomplished through the relaxation of various restrictive measures, the minimization of state intervention, the establishment of a trade negotiating body, and the formulation of a programme for trade negotiation with other countries. At the same time, Thailand is determined to become the centre for tourism in Southeast Asia. This is to be achieved through joint efforts with its Asean partners in developing the regional tourist circuit as well as opening the doors of Indochina to tourism.

These steps taken would enable Thailand to foster closer relations with neighbouring countries in the belief that the productive relationship would precipitate mutual benefit and reinforce peace. Thailand's economic relations with Cambodia took off well before the end of the Cambodian conflict and the country's widening economic interaction with Laos and Cambodia means that the battle-fields have been partly transformed into a market place.

Having been a recipient of international economic cooperation and assistance for a number of decades, Thailand now with its new found economic strength is expanding its economic cooperation and technical assistance programme with its neighbours. The technical assistance programme of about $8 million for neighbouring Indochinese countries and Burma is being earmarked for the next calendar year.

Similar changes in attitude and outlook have also occurred within the Asean community. Asean's impressive economic performance has created greater confidence within and among its member countries. From the perspective of international trade and politics, Asean has secured a position of influence in the Pacific region. More than ever Asean countries perceive themselves as trading partners in sum rather than as individual units. Trade is no longer perceived by Asean members as a zero-sum game, but rather as a situation where as long as the regional tides are rising, everyone's boat gets lifted.

Asean members recognize that in order to forge ahead with economic development they have to create a sustainable market. Although the investment climate and external market outlook for Asean seems stable now, that may change in the future. With that realization, Asean is now in the process of creating an intra-Asean market which will be of a sufficient size and would enable every member an opportunity to draw on its economic strength and development through friendly and mutually supporting competition. Such steps will enable the Asean community to be economically resilient and more efficient. Once created, the intra-Asean market should make the region a more attractive place for foreign investors.

In the past few years Thailand has forged ahead with greater interaction within Asean. Right now it is beginning to play a leading role in the economic realm and an example of this is Bangkok's recent call at the Asean Foreign Ministers' Meeting in July for the establishment of an Asean free trade area.

This initiative mooted by Prime Minister Anan Panyarachun is for Asean to work towards this goal within a set period of time. The basic reason behind such initiative is the fact that economic integration among Asean countries has not moved beyond the point that it is still very much an association of six separate markets. This prevailing situation can be a disadvantage for Asean member countries particularly when developed countries are moving towards forming economic or trading blocs and using these as a leverage in negotiating with other parties.

Meanwhile as peace is imminent in the 12-year-old Cambodian conflict a question that comes to mind is whether Asean will incorporate new members from Indochina. In my view the answer will not be in the negative but will depend on the timing. When the political and economic factors are opportune, these Indochinese countries will be integrated.

For the time being, there is much optimism that these countries will be integrated because of the existence of a Southeast Asia Treaty of Amity and Cooperation or the Bali Treaty which governs the relationship of states in the region. The Treaty includes basic considerations such as the specific settlement of disputes, non-interference in internal affairs and even a provision for non- aggression among signatories.

It is indeed outward look in nature for it goes beyond peaceful coexistence and provides a basis for dialogue and mutually beneficial cooperation. Discussions have already been held with non-signatories on how they can positively contribute to relations with states in the region in connection with the Treaty. Already, the leaders of Vietnam, Laos and Cambodia have indicated their willingness to accede to this Treaty.

One however should perceive further expansion of economic and commercial relations between Asean and these individual countries. Asean would be able to transfer technology to develop their economies hence giving them the opportunity to export their products thus enabling them to earn much sought after hard currency.

Throughout Asean, the Indochinese states will also have access to a large and growing market, and a source of goods, services, capital and technology. Asean will provide its Indochinese neighbours access to communication and transportation networks essential for economic development. Thailand would be in a position to facilitate this due to its geographical proximity.

If we are to believe the old adage that "paupers do not trade, money men do," then Asean, with its economic vitality will substantially benefit Indochina. Cambodia, Laos, and Vietnam will all benefit from their relationshipo with Asean in terms of trade in natural resources, manufactured goods, services, and so on.

It seems clear that the above scenarios of cooperation and co-prosperity are more likely to become a reality once the Cambodian conflict is over. The end of the Cambodian War means tha dissipation and gradual disappearance of tension, fear and perceived threat arising from ideological differences. Obviously some conflicts of interest will still loom, these include the territorial claims and counter-claims between China and Vietnam in the South China Sea.

The salient conclusion to be drawn from the foregoing is that if there is more interaction between Asean and its Indochinese neighbours, the need to use force to resolve conflicts in the region will be greatly mitigated.

Government Approves Setting Up VNA Bureau

BK2509013991 Bangkok THE NATION in English 25 Sep 91 p A2

[Excerpt] The government yesterday approved the Foreign Ministry's proposal to allow the VIETNAM NEWS AGENCY (VNA) to open a bureau in Bangkok, Deputy Foreign Minister Wichian Watanakhun said.

The move follows Foreign Minister Asa Sarasin's visit to Vietnam last week, which he said helped to dispel past misunderstanding and mistrust between the two countries. However, the issue of Vietnam's news agency was not raised during Asa's talks with his Vietnamese counterpart Nguyen Manh Cam in Hanoi.

Wichian said he anticipated the opening of the bureau would be further discussed by an advance party from Vietnam which will be here to prepare for Premier Vo Van Kiet's visit to Thailand, tentatively set for late October.

VNA will be the third news agency from a socialist country, after the Soviet Union's TASS and China's XINHUA, to open an office in Thailand. Vietnam has long sought a Bangkok bureau but received a lukewarm response from the Thai government, which then still considered Vietnam a potential threat to Thai security. The official application was filed early last year.

Under the proposal, VNA will be allowed to set up a bureau in Bangkok and exchange information with the government-run THAI NEWS AGENCY like the news agencies of its two socialist allies.

Thai officials said the VNA decision is expected to be announced during Vo Van Kiet's visit to Thailand. [passage omitted]

Holding Center for Burmese Dissidents Approved

BK2501001380 Bangkok THE NATION in English 25 Sep 91 pp a1, 2

[Text] The Cabinet yesterday approved the Interior Ministry's proposal to set up a holding centre in Ratchaburi for some 1,500 Burmese dissidents under the protection of the UN High Commissioner for Refugees [UNHCR].

The move is apparently a compromise solution aimed at appeasing the Rangoon government, with which Thailand is seeking to maintain close relations, and western countries, which have denounced the Thai government's handling of Burmese asylum-seekers.

The idea of establishing a camp for Burmese asylum-seekers was initiated by Thai law enforcement officials, who feared that the Burmese might try to carry out anti-Rangoon activities from Thailand which would offend Burma's military regime.

"The Thai government wants to maintain good ties with the present rulers of Burma and at the same time establish a link with the Burmese dissidents as part of its longer-term strategy in bilateral relations," a senior Thai security official told THE NATION.

Senior Thai policy-makers responsible for Thai-Burmese relations indicated recently that Bangkok was considering distancing itself from Rangoon due to domestic and international criticism. The scaling down of relations will include a cutback on exchange visits by leaders of both countries, they said.

Deputy Foreign Minister Wichian Watthanakun said yesterday the Cabinet also agreed that the Burmese, most of them students fleeing persecution by the military regime in Rangoon following the 1988 crackdown on the pro-democracy movement, shold not be repatriated until it is safe for them to return.

"The Cabinet was told by the Interior Ministry that all Burmese asylum-seekers will be required to register with Thai authorities before they are sent to the camp," Wichian said.

The deputy minister said such registration was required to ensure full protection for the Burmese, adding that the Interior Ministry would issue identification documents to those who report to the authorities.

"So far, very few Burmese asylum-seekers have come forward to register," he noted.

Many Burmese dissidents said they were suspicious of the idea of registering with the Interior Ministry and living in the camp for fear that the Rangoon regime would learn their identities, thus endangering their relatives who remain in Burma.

Last month, Thai military spokesman Gen Narudon Detpradiyut said Burma's ruling military junta, shunned by the international community for its dismal human rights record, had urged Thailand to repatriate the Burmese dissidents seeking asylum here.

The spokesman quoted the Rangoon regime as saying that the safety of the Burmese dissidents would be guaranteed.

The holding centre, located on a site which previously served as the barracks of a border patrol police unit in Pak Thor District, is projected to cost Bt3 million and take three months to build.

Wichian said the UNHCR and other volunteer agencies would be allowed to provide humanitarian assistance to the asylum-seekers once they were sent to the holding centre.

"But all assistance must be channelled through the Thai authorities as we do not consider them refugees and therefore they won't be entitled to refugee rights," the deputy minister said.

Some refugee workers, asked to comment on the Thai government's decision on the holding centre, said the UNHCR would either seek full access to or a presence at the camp when it was opened to ensure the safety of the Burmese.

"The Burmese refugees would be reluctant to go to the camp if the UNHCR was not allowed to monitor their treatment and living conditions," one of the aid workers said.

The London-based human rights watchdog, Amnesty International, recently released a report on Thailand's treatment of Burmese asylum-seekers crticizing abuse of the Burmese dissidents by Thai authorities. The report also indicated that the Thai military was using some Burmese dissidents in intelligence-gathering in exchange for their continued presence here.

A total of 1,530 Burmese have been recognized as falling under UNHCR protection and are entitled to monthly allowances for food and shelter.

The Interior Ministry in late 1989 asked the international organization not to renew identification papers for Burmese dissidents previously granted refugee status, thus making all of them illegal immigrants under Thai law.

"Whether or not the Burmese are entitled to refugee status is not our main concern as long as the Thai government continues to grant them temporary asylum," the worker said.

Thailand is not a signatory to the 1951 UN Convention on the status of refugees, the key international instrument in assisting and protecting refugees.

But the Thai government has usually observed the norms established by the international treaty except for isolated cases where it forcibly repatriated those seeking refugee in the country."

For instance, a large number of Burmese students were handed over to Burmese authorities from the border province of Tak in a supposedly voluntary repatriation, although many later claimed they had been coerced.

Columnist on Chinese Foreign Policy, Anan Visit

BK2509021991 Bangkok THE NATION in English 25 Sep 91 p A4

[By Kawi Chongkitthawon: "In new world, China needs friends"]

[Text] China is now concentrating on establishing closer ties with developing countries in its periphery and the Third World in an effort to break down international isolation, Western pressure, the threat from communism's collapse in the Soviet Union and its weakened global position after the Gulf War.

The Chinese leaders are also wary of the possible repercussions from the dramatic changes in the Soviet Union and Eastern Europe as well as the emerging new world order, now dominated by the United States.

Discussions with Thai officials, who attended meetings on Sunday and Monday between Prime Minister Anan Panyarachun and the three Chinese leaders—Prime Minister Li Peng, Chinese President Yang Shangkun and Communist Party Chief Jiang Zemin, have shed some light on the direction of China's foreign policy in the future, which was described by Chinese leaders as an "unsettling" period.

China's cautious assessment of the international situation has gradually been translated into endeavours to improve relations with its near neighbours such as Vietnam and ASEAN as well as other developing countries in Latin America and Africa.

In a way, Anan's visit here this week provided a much-needed respite for the Chinese leaders, who had to weather the West's criticism over the issue of human rights violations and democratization. When British Prime Minister John Major and Japanese Prime Minister Toshiki Kaifu visited Beijing recently, both leaders raised the issues, much to the annoyance of the Chinese leadership. China views such enquiries as interference in its internal affairs.

"China has to tolerate this embarrassment because it wants to end international isolation," said a Western diplomat, referring to the toughening of the United States' and European positions toward China's treatment of jailed dissidents and overall human rights record.

The diplomat said the economic reform in the past 12 years have made China dependent on the Western market and technology. China just cannot break away from the West even if it wants to," he said.

Last year, China's foreign trade with the West, mainly the United States, Japan and Western Europe including Hong Kong and Macau, amounted to 70 percent. Trading with developing countries in ASEAN and Latin America was about 14.5 percent. China's traditional trading partners, namely the Soviet Union and Eastern Europe and Indochina, made up only about 5.6 percent.

Thai officials believe that while China continues to maintain its trading ties with the West, it has now placed greater priority on trading with developing countries while strengthening its economic cooperation with countries in the Asia-Pacific region through economic organizations such as the Asia-Pacific Economic Cooperation, Pacific Economic Cooperation Committee and ASEAN.

With peace in Cambodia and the normalization of Sino-Vietnamese ties, the Chinese leaders told Anan that their country was interested in jointly developing the upper Mekong River with Thailand and the three Indochinese countries. Thailand also supports China's early return to GATT so its voice could be beneficial to developing countries.

China's trade with developing countries in Southeast Asia has increased over the past year. Before 1990, Thailand was China's major ASEAN trading partner. However, after China resumed its ties with Indonesia and established diplomatic relations with Singapore last year, the Thai position weakened. Bilateral trade between China and Indonesia reached US$41.18 billion last year, about US$11 million less than Sino-Thai trade volume in the same period. Thai officials predicted Indonesia will surpass Thailand this year and compete with Singapore for the title of China's leading trading partner.

China's efforts to diversify its trading partners comes at the time when the United States continues its protectionist drive toward developing countries as its political power grows even stronger.

In terms of diplomacy, China has moved to end the Cambodian conflict and sought to neutralize Vietnam by agreeing to normalization of their relationship, after more than a decade of hostility. One diplomat said the Sino-Vietnamese ties will not be as intimate as in the past, but it will be close enough to call for "positive cooperation" in foreign affairs between the two countries.

China has also effectively used the UN to strengthen its ties with developing countries and its national interest.

China's cooperation in the UN Security Council showed that Beijing supports the world body as a good mechanism to end unresolved disputes.

At the same time, China's position in Indochina has been strengthened, given the settlement of the Cambodian conflict. In the near future, Beijing is likely to consolidate its relations with other non-Indochinese countries such as ASEAN and the Pacific islands to improve its international profile.

Support from developing countries is crucial as China is trying to assess the impacts of rapid changes in the world and the emerging new international order. Towards the end of the discussion between Li and Anan, Li doubted whether the euphoria over the events in Eastern Europe and the Soviet Union will last.

Li was quoted by a Thai official as saying there was no assurance that what happened in Yugoslavia would not happen to the Soviet Union or the conflict in Kashmir would not worsen. "Yugoslavia, the Soviet Union and Kashmir could be the new global hot spots," Li told the Thai delegates.

The official said Chinese leaders are concerned about the consequences of the recent events in the Soviet Union for fear it could generate further instability within the Soviet Union and the world at large. "If the changes in the Soviet Union promote peace and stability in the world, China will suport it," the official said.

China's reappraisal of the international environment in the past two years has resulted in a more flexible and cooperative foreign policy, both in the United Nations and with the developing countries, to secure Beijing's place in the new multi-polar world.

Vietnam

Radio Gives Insight Into Relations With PRC

BK2509113691 Hanoi Voice of Vietnam in English 1000 GMT 25 Sep 91

[Station commentary]

[Text] Like all other countries in this fast changing world, both Vietnam and China need peace and stability for national development in conformity with their peoples' aspirations, as well as the regional nations' interests. For the same reasons, the sixth and seventh congresses of the Communist Party of Vietnam [CPV] pointed to the policy of doing its best for normalizing Sino- Vietnamese relations.

During his reception for the Vietnamese foreign minister, Chinese Premier Li Peng said: Time is ripe for normalizing bilateral ties. During the trip to China by the Vietnamese foreign minister, both Vietnam and China expressed the need for normalizing Sino-Vietnamese relations. In an interview with Radio Voice of Vietnam and Vietnam television after returning from China, Mr. Nguyen Manh Cam said: A normalized bilateral tie would not affect the relations of friendship and cooperation between each country and others. A normalized Sino-Vietnamese tie, he noted, will make important and practical contributions to peace, stability, and development in this region.

The relationship is built on the basis of the five principles of respect for the sovereignty and territorial integrity of each country, nonaggression, nonintervention in each other's internal affairs, equality and mutual benefit, and peaceful coexistence.

China and Vietnam have agreed to take concrete steps toward promoting exchanges and cooperation between the two countries in economic, cultural, scientific, and technological fields, with a view to step by step normalizing Sino-Vietnamese relations. Both sides also discussed visits to China by Vietnamese leaders later this year.

Cross-border trade between China and Vietnam has kept growing. The official Chinese daily REMNIN RIBAO quoted a leader of the (?Jwang) autonomous region at the southern province of Guangxi as predicting an expansion of cross-border trade in the years to come. He said the province of Guangxi and other provinces on the Sino-Vietnamese border will compile a list of joint ventures and organize fairs in Vietnam, Guangxi, Kweiju, and Yunnan, whose resources are rich. Exports of raw materials and machines will be promoted. Cross-border trade will start exchanging big amounts of commodities from border provinces to Vietnam and other Southeast Asian countries.

The Mexican paper (El Deta) is right in its remark that the Chinese trip by Foreign Minister Nguyen Manh Cam of Vietnam marked the restoration of the multifaceted relations between Vietnam and China and helped facilitate a solution to Cambodia and promote peace and stability in the region.

Sihanouk View on Cambodia Peace Agreement Noted

BK2509074391 Hanoi VNA in English 0559 GMT 25 Sep 91

[Text] Hanoi VNA September 25—Prince Norodom Sihanouk told a BBC correspondent in New York on Sept.22 that the definitive peace agreement on Cambodia will be signed in Paris on October 31 this year." The president of the Supreme National Council of Cambodia (SNC) disclosed that during their two-day meeting in New York all the Cambodian parties had reached agreement on all major questions, including the holding of general elections in 1992 under UN supervision.

Lao Front Delegation's 17-24 Sep Visit Reported

BK2409143791 Hanoi VNA in English 1351 GMT 24 Sep 91

[Text] Hanoi VNA Sept. 24—A delegation of the Lao Front for National Construction led by its president Maysouk

Saysompheng, who is also member of the Lao People's Revolutionary Party Central committee, today ended an eight-day working visit to Vietnam from Sept. 17-24.

While here, the delegation had exchanged views with the Vietnam Fatherland Front on the front work. Both sides shared the view that in face of the present complicated situation in the Soviet Union and Eastern Europe, the two countries will, more than ever, consolidate their special cooperative relations.

The guests called at the offices of the front-organisation in Hanoi, Son Tay Town of Ha Tay province, and Tuyen Quang province.

They were received on separate occasions by Nong Duc Manh, Politburo member of the party Central Committee, and Hong Ha, secretary of the party Central Commitee.

Spokesman Supports Afghan 'Self-Determination'

BK2409144391 Hanoi VNA in English 1354 GMT 24 Sep 91

[Text] Hanoi VNA Sept. 24—Vietnam always supports a fair political solution to the Afghanistan question in accordance with the principle of the right to self-determination of the Afghani people and without interference from outside, said a spokesman for the Vietnamese Foreign Ministry.

In an interview with VIETNAM NEWS AGENCY on the Soviet-U.S. joint statement on Sept. 12 on the fundamental principles to solve the Afghanistan question, the spokesman further said that Vietnam welcomes all efforts for a peace process in Afghanistan, as well as the Afghan Government's goodwill position that an end should be put to all weapon supplies to all Afghanistan sides, and that they should scrupulously implement ceasefire and sit down for negotiations in order to gain an early, fair political solution to the Afghanistan question.

Polish Ambassador on 'Continued Cooperation'

BK2409144491 Hanoi VNA in English 1335 GMT 24 Sep 91

[Text] Hanoi VNA Sept. 24—Polish ambassador to Vietnam Stanislav Gebala reiterated Poland's continued cooperation with Vietnam in economic, trade, cultural, scientific and technolgical fields on the basis of mutual benefit.

He was speaking at a press conference held her today. He expressed his hope that the two countries would sign this year an inter-governmental agreement on cooperation in culture, technology, sciences, tourism, sports and mass media.

The ambassador also informed about the situation in Poland.

Saigon Shipping Enters Venture With France

BK2509050491 Hanoi Voice of Vietnam in English 1000 GMT 23 Sep 91

[Text] Saigon Shipping, a company in Ho Chi Minh City, has entered into a joint venture with France's IBA Shipping Corporation for direct sea transportation between Ho Chi Minh City and France. Saigon Shipping has purchased a 1,000-tonne freighter and charted another for this purpose. This year, Saigon Shipping has improved its mode of operation to increase shipments to Hong Kong and Singapore.

Japanese Firms Launch Wood Processing Venture

BK2409154191 Hong Kong AFP in English 1119 GMT 24 Sep 91

[Text] Hanoi, Sept 24 (AFP)—Two Japanese companies are launching a one billion dollar joint venture with a Vietnamese firm to process and export wood products from southern Vietnam, the VIETNAM ECONOMIC NEWS reported Tuesday.

The Japanese firms, Kolke and Musumi, will contribute 55 percent of the prescribed capital for the 10-year venture, called the KPM Wood Processing Joint Venture Company for Export, the semi-weekly Trade Ministry newsletter said.

The Vietnamese partner is the Union of Export and Production Enterprises in Song Be province, which begins just north of Ho Chi Minh City and runs to the Cambodian border.

Council of State Issues Order on Labor Safety

BK2509042191 Hanoi Vietnam Television Network in Vietnamese 1200 GMT 22 Sep 91

[Text] The Council of State has made public Order No. 61/LCTHDNN. The text of the order is as follows:

By virtue of Article 100 of the Constitution of the Socialist Republic of Vietnam [SRV] and pursuant to Article 34 of the law on the organizations of the National Assembly and the Council of State, the Council of State hereby promulgates the regulations on labor safety passed by the council on 9 September 1991.

The regulations on labor safety comprise ten chapters and forty-six articles.

The preamble points out: The objectives of the regulations on labor safety are to guarantee safety and sanitation for workers, to heighten the sense of responsibility of employers and employees, and to strengthen the efficiency of state control over labor safety so as to prevent work-related accidents and occupational health problems, as well as to gradually improve working conditions.

Chapter I comprises seven articles providing the general provisions.

Chapter II comprises eight articles dealing with labor safety and sanitation in the workplace.
Chapter III comprises four articles dealing with the protection of workers' health.
Chapter IV comprises four articles dealing with work-related accidents and occupational health problems.
Chapter V comprises five articles dealing with the rights and duties of employers and employees.
Chapter VI comprises six articles dealing with state control over labor safety.
Chapter VII comprises five articles dealing with state labor safety inspection and sanitation in the workplace.
Chapter VIII comprises three articles dealing with the responsibilities and rights of trade union organizations.
Chapter IX comprises two articles dealing with measures against violations.
Chapter X comprises two articles providing the final provisions.

1,000 Households Said Sent to New Economic Zones

BK2509110791 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 23 Sep 91

[Text] As of 23 September, Ha Nam Ninh Province has sent over 1,000 households totalling 4,500 people—including 2,600 workers—to build various new economic zones inside and outside the province. This figure exceeds the target by 29 percent in per capita terms and 91 percent in manpower terms.

Ha Nam Ninh province has made satisfactory preparations this year by coordinating activities at both the departure and destination areas. Arrangements have been made for people to resettle according to their aspiration and profession, thereby ensuring the production objectives of each recipient area.

In addition to the state subsidy policy, areas with migrants and arrivals have given assistance to resettlers. Those with migrants have given each household 150,000-200,000 dong while those with arrivals have provided resettlers with land, interest-free loans, and necessary crop seeds. The resettlers, therefore, feel secure in continuing production and building their new lives.

After exceeding the 1991 target for sending people to new economic zones, the new economic zone affairs sector of Ha Nam Ninh received 800 applications more for resettlement. The province is continuing to ask for funds from the central government. It is also preparing the localities and securing more funds between now and the end of the year in order to send another 1,500 people to build various new economic zones.

Provinces Hold Second-Round Party Congresses

BK2409134391 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 21 Sep 91

[Text] Through the end of September, the eight provinces of Hai Hung, Minh Hai, Thai Binh, Quang Binh, Quang Tri, Thua Thien-Hue, Lai Chau, and Bac Thai have hold their second round party congresses.

Between 20 to 30 percent of the grass-root organizations of the provinces of Ha Nam Ninh, Lam Dong, Hau Giang, Quang Binh, Son La, and Hai Hung have held their party congresses. The provinces of Hai Hung and Thai Binh are about to complete party congresses at the district and town levels.

The prominent results of these party congresses are in unanimous agreement with the Seventh National Party Congress resolutions shown by the cadres and party members, and their determination in advancing to socialism.

Basic issues such as the refusal of a multi-party system and political pluralism, the conducting of private business by party members, and land ownership in the rural areas have been discussed thoroughly.

However, generally speaking, the discussion of the Seventh National Party Congress resolutions has not been very intense due to lack of time. The first important requirement of the second round party congress is to clearly define the political duty of their own level and locality. Nevertheless, with some party committees, the content of their congresses is still lack of practicality. And some party committees; especially the party committees at the district and ward levels; still have problems in implementing the party resolutions.

In order to improve the quality of party congresses and avoid a lighthearted attitude in organizing the congress, the Party Political Bureau has instructed the provinces, cities, districts, wards, and grass-root organizations to carefully concentrate on their political report and personnel matters before organizing the congress.

Phan Van Khai Attends Groundbreaking Ceremony

BK2509103391 Hanoi Vietnam Television Network in Vietnamese 1200 GMT 22 Sep 91

[Text] With the approval of the Council of Ministers, on 15 September, the Ministry of Energy officially started the construction of the energy supply system of the Vinh Son hydroelectric power plant building project.

The groundbreaking ceremony marks an important step in the urgent completion of an energy supply system aimed at quickly providing electricity from the Vinh Son Power Plant to Binh Dinh, Quang Ngai, and Gia Lai provinces by late 1993 or early 1994.

Taking part in the ceremony were construction units belonging to the Ministries of Building, Water Conservancy, and Energy and the localities concerned as well as the key leading comrades of the party committees and people's committees of Quang Nam-Danang, Quang Ngai, Binh Dinh, Phu Yen, Khanh Hoa, and Gia Lai provinces.

Also attending was Comrade Phan Van Khai, member of the party Central Committee Political Bureau and first vice chairman of the Council of Ministers.

Comrade Phan Van Khai commended the contingent of survey and design cadres as well as the various building units for having overcome difficulties and satisfactorily completed a number of initial tasks.

Since 1989, steps have been taken to complete a number of tasks relating to the construction of the main water turbine system. Some 50 percent of the piling work has been completed. In 1991, the Ministry of Energy has invested 90 billion dong from the basic amortization capital of the power sector to support the Vinh Son hydroelectric power building project, which is the second most important investment after the Hoa Binh Hydroelectric Power Plant as it accounts for more than 75 percent of the total investment capital for all electric power plant building projects in the Trung Bo provinces.

Nguyen Khanh Attends Full Moon Festival 21 Sep

BK2409133391 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 21 Sep 91

[Report by Station Correspondent Dinh Khai on the full moon festival and the eighth anniversary celebration of NHI DONG Magazine held in Hanoi on 21 September]

[Summary] On the full moon festival and the day of the eighth anniversary of NHI DONG Magazine, the NHI DONG Magazine office held a get-together with its young readers who are also outstanding students at Hanoi primary schools.

"Attending the meeting at the head office of the Ho Chi Minh Communist Youth Union [HCMCYU] were Nguyen Khanh, vice chairman of the Council of Ministers and chairman of the Committee for the Care and Protection of Vietnamese Children, Mr. Ha Quang Du, secretary of the HCMCYU, and many children representing overseas children in Hanoi."

In the jovial atmosphere shown clearly on children's faces at the meeting, Comrade Nguyen Khanh said:

[Begin recording] "On the 1991 full moon festival, on behalf of the Committee for the Care and Protection of Vietnamese Children, I wish all the Vietnamese children, overseas children from international organizations present at today's ceremony, and all Hanoi children a happy full moon festival. I wish all the nieces and nephews who are excellent students of the capital to continue their good work so they can be even better. The children who are not excellent students yet shall try harder to become good students later on." [end recording]

Sharing the joy with the children, Mr. (Jean Pierre), who is an officer of an oil exploration company in Vietnam and who has been working in Vietnam for 20 years, said at the ceremony:

[Begin (Jean Pierre) recording in Vietnamese] "On behalf of the foreigners, overseas children, and children in the French School and the Hanoi International School, I hope all the children do well in their studying and in their behavior at home and at school." [end recording]

Under the August full moon light, the delegates and children took part in the evening music program.

Nguyen Van Linh Attends Resistance Day Meeting

BK2509111791 Hanoi Voice of Vietnam Network in Vietnamese 1000 GMT 23 Sep 91

[Text] According to the newspaper SAIGON GIAI PHONG, a large number of veteran revolutionary cadres, war veterans, and representatives of the younger generation in Ho Chi Minh City held a meeting to mark the Nam Bo Resistance Day on the morning of 23 September.

The meeting was attended and addressed by Comrade Nguyen Van Linh, adviser to the party Central Committee.

Comrade Nguyen Van Linh analyzed the schemes and tricks of the imperialists and other reactionary forces to eliminate socialist countries and get rid of the leading role of communist parties. The comrade maintained that world unrest has helped our party and people learn many valuable lessons. Faced with such a situation, the people of various strata in general and youths in particular should enhance their knowledge of our national traditions and realize the significance of independence and freedom. He recalled that public support enabled the party to lead our war of resistance to success. Now in socialist construction, the party needs to associate itself more closely with the people.

Nguyen Thoi Bung Inspects 86th Chemical Group

BK2509115191 Hanoi Voice of Vietnam Network in Vietnamese 1400 GMT 23 Sep 91

[Text] Lieutenant General Nguyen Thoi Bung, member of the party Central Committee and deputy chief of the Vietnamese People's Army General Staff, recently paid a working visit to the 86th Chemical Group to inspect its combat-readiness training.

The comrade deputy chief of the General Staff inspected the troops' mess and billeting facilities, met cooks and logistics cadres, attended a chemical corps training session, inspected a general service detachment, and carefully examined training plans and charts.

After hearing the group commander report on the group's activities as well as its shortcomings and experiences after nine months of unit-building and training, the comrade deputy chief of the General Staff commended group members for having maintained their unanimity. He also thanked them for having taken up the political responsibility for building good internal unity and army-people solidarity. One of the group's major achievements is for having moved all its personnel to a new destination, ensuring all the requirements for maintaining secrecy and neatly consolidating its mess and billeting facilities. During that time, the group has kept its troops from indiscipline. In particular, during the second training phase in 1990 and the 1991 first training phase, the group commander, with a high sense of responsibility and dynamism and by combining many effective measures, prevented new recruits from desertion and satisfactorily fulfilled its planned training.

However, the comrade deputy chief also analyzed the difficulties the 86th Group should promptly solve, with regard to cadres' knowledge, particularly those at the grass-roots level.

Touching on the 1991 second training phase, the comrade deputy chief urged the group to continue to understand the essential training guidelines in a practical and steady manner. It must ensure that its training is compatible with combat requirements, regarding its personnel and equipment and the functions and tasks of each person in the unit. Meanwhile, the group must determine its main objectives in the coming period. These consist of building a pattern of standardization and unit discipline, paying great attention to the maintenance and preservation of weapons and technical equipment, and training cadres in both troop administration and management. As planned, it should maintain constant control over its troops with practice as the chief training method. Meanwhile, it should build itself into a steadfast one in accordance with five set requirements. This is to constantly improve the comprehensive quality of troops in the new situation.

Flood Situation in Various Regions Reported

Long An Province

BK2409080991 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 21 Sep 91

[Text] According to a Long An radio station correspondent, latest reports from the steering body of the Long An Province typhoon and flood control committee indicate that the water level has dropped in Vinh Hung District and is rising slowly in Moc Hoa District and tends to rise considerably in Tan Thanh District.

Initial damage assessment is as follows: Thirty-six villages and one town out of 40 villages and towns in the Dong Thap Muoi area of Long An Province have been submerged. More than 31,000 households have been seriously flooded and 6,200 of them have been forced to evacuate to high ground. Ten people were dead. Twenty-six dispensaries and more than 100 classrooms were damaged from 80 to 100 percent. One hundred and fourteen kilometers of roads have been flooded.

Regarding agricultural production, a total of 18,000 hectares of tenth-month and early winter-spring rice was damaged. Total damage estimate stands at 80-100 billion dong.

The water level has dropped. However, according to the experiences of some old-timers, it may rise again if downpours and typhoons occur in the region.

Long An Province is paying special attention to containing the possible spread of epidemics and epizootics. The Long An Province public health and veterinary services are concentrating efforts on overcoming the consequences of the flash flood immediately after water has receded.

An Giang Province

BK2409051691 Hanoi Voice of Vietnam Network in Vietnamese 0500 GMT 20 Sep 91

[Text] The flash flood situation in An Giang province has now become less serious as the water level has dropped 10-20 centimeters from the previous level. An Giang province has a total of 70 out of 135 villages listed as being affected by the flood. These villages are located mainly in headwater districts and along both sides of the Tien and Hau rivers. Flash floods have damaged 58,000 houses and have left 7,300 families homeless and 32 dead. The road system has been heavily damaged with five large bridges collapsed, 240 km of road destroyed, and many communication lines paralyzed. Over 16,000 hectares of rice and subsidiary food crops have been flooded and are likely to be completely destroyed. Reportedly, over 32,000 metric tons of paddy have been destroyed.

According to initial estimates, flash floods have caused 55 billion dong worth of damage.

It is forecast that the flash flood situation may continue to drag on for another 10-15 days.

Mekong River Delta Area

BK2509074191 Hanoi VNA in English 0556 GMT 25 Sep 91

[Text] Hanoi VNA Sept. 25—By September 24 fifty-five people had been killed, 21,275 families made homeless, 10,400 houses and over [as received] ha [hectares] of rice crops submerged, and 354 kilometres of road heavily damaged by floods which struck vast areas in the Mekong River Delta early this month.

The figures came in a report released yesterday by the Central Anti-storm and Anti-floods Committee.

The report further said that the floods also submerged 506 schools and 106 infirmaries and destroyed nine bridges and numerous irrigation works.

Heaviest damage to rice crops was recorded in the province of Dong Thap with 15,000 ha submerged including 400 ha entirely destroyed, and the province of Kien Giang with 14,807 ha submerged, including 7,141 ha totally ruined.

The report added the floods came about one month earlier than normally and the water level was about between 15 and 20 cm lower than those in 1978 and 1984.

Company Said Preparing To Produce Natural Gas

BK2409144291 Hanoi VNA in English 1337 GMT 24 Sep 91

[Text] Hanoi VNA Sept. 24—Vietnam will soon be able to produce billions of cubic metres of gas annually.

Officials of Vietag a newly set up company, say two gas projects are under way.

The first one including the construction of storage facilities and pipelines from off shore mines, is totally funded by Vietnam. Foreign investors are to provide design, technology and cover construction cost.

The second project is a foreign-invested liquefying plant with a capacity of 1 billion cubic metres per year.

Natural and liquefied gas from these plants will feed nitrogenous fertilizer plants, gas-fuelled power plants, and factories, especially in Ho Chi Minh City.

Two gas-fuelled electric power plants are planned for Ba Ria Province and Ho Chi Minh City's Thu Duc District in 1993. They will use 600-700 million cubic metres of unliquefiable gas per year and will double electric output in those areas. According to Vietgaz the plants will begin to pay off in three to five years.

Australia

Hawke, Blewett Cited on Situation in PNG

BK2409112291 Melbourne Radio Australia in English 0803 GMT 24 Sep 91

[From the "International Report" program]

[Text] The Australian Government says it cannot pressure Papua New Guinea [PNG] over the [word indistinct] situation caused by unrest on the island of Bougainville. Prime Minister Bob Hawke says it is wrong to assume that Australia can direct PNG what to do. [Words indistinct] leaving for Port Moresby today, the trade and development minister, Dr. Neal Blewett, says he will pass on concerns expressed to him by Australian aid groups. From Canberra Graeme Dobell reports:

[Begin recording] [Dobell] The Australian Council for Overseas Aid said the humanitarian situation on Bougainville is most alarming, claiming there is substantial evidence that as many as 3,000 people have died from preventable diseases. The council, representing 19 nongovernment aid groups, says it has not been allowed to ship medical supplies to areas of Bougainville outside the control of the PNG Defense Force.

Addressing the Foreign Correspondents Club in Sydney yesterday, Mr. Hawke was asked what influence Australia would use to save lives in Bougainville. The prime minister has disputed the suggestion that thousands of people have died because of the blockade. Mr. Hawke then said there seemed to be an assumption that there was still a colonial overhang and Australia could tell PNG what to do. Nevertheless, Mr. Hawke said Australia was ready to offer what help it could to the people in the villages.

[Hawke] We want to assist in making available to the people of the region medical supplies and other forms of (?vital) assistance, particularly through nongovernment organizations, and we have undertaken with the Government of PNG every attempt to try and ensure that those supplies be made available. We cannot make the government of PNG (?necessarily) do everything which would create the maximum possibility those supplies getting through, but we have done what we could to ensure that they were made available particularly through nongovernment organizations.

[Dobell] Mr. Hawke also dismissed any comparison with Australia's call for the United Nations action in Yugoslavia with the situation in Bougainville.

[Hawke] Of course the analogy does not exist. What is happening in PNG is not, at this stage, threatening the integrity of any other nation. It is not threatening the peace and security of the region.

[Dobell] The minister for trade and overseas development, Dr. Blewett, left Canberra this afternoon for a six-day visit to PNG and discussions on aid and economic relations. Dr. Blewett described his approach to the Boungainville issue in these terms.

[Blewett] One of the issues in discussion, I will be expressing some of the concern we have had about getting aid resources to Bougainville, but obviously (?these matters) are going to be talked to with the PNG ministers.

[Dobell] How will you express concern to PNG about the problems Australian aid groups have had getting aid to areas outside the control of PNG Defense Force?

[Blewett] Well, certainly I will pass on the concerns that have been forwarded to me by various nongovernment organization aid groups.

[Dobell] Do you accept the view of the Australian Council for Overseas Aid that the restrictions on medical aid are a denial of fundamental human rights, that they could be contributing to perhaps people dying because of lack of medical facilities?

[Blewett] I said I am going to discuss the issues with the PNG ministers and take up the issues that have been raised with me by the various NGOs [Non-Governmental Agencies]. [end recording]

Vanuatu

Kalpokas Appoints Abbil Deputy Prime Minister

BK2409141791 Hong Kong AFP in English 1313 GMT 24 Sep 91

[Text] Port Vila, Sept 24 (AFP)—Vanuatu's Prime Minister Donald Kalpokas has appointed Iolu Abbil as deputy prime minister.

Kalpokas said during Monday's announcement broadcast by Radio Vanuatu that the appointment of the deputy prime minister showed that his government "is following consultation and collective decision-making."

During the last four years of Walter Lini's recently ended 11-year term as leader of this South Pacific island "there was no deputy prime minister, because (Lini) wanted to become powerful," he said.

That nearly resulted in a "dictatorial government," he said.

The new deputy prime minister is also minister of home affairs and vice-president of the Vanua'aku Party.

Lini lost a vote of no-confidence in September allowing allegations that he exceeded his constitutional authority and that he neglected his duty.